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FIFTH ANNUAL REPORT
1949

Chicago Transit Board
OF THE
CHICAGO TRANSIT AUTHORITY

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CHICAGO TRANSIT AUTHORITY

Fifth Annual Report

OF CHICAGO TRANSIT BOARD

for the Fiscal Year
ending December 31, 1949

OFFICERS

Ralph Budd *Chairman*	Irvin L. Porter *Treasurer*
Guy A. Richardson *Vice-Chairman*	William W. McKenna *Secretary*

MEMBERS OF BOARD

Ralph Budd • Philip W. Collins • William W. McKenna
John S. Miller • Irvin L. Porter • James R. Quinn • Guy A. Richardson

Walter J. McCarter *General Manager*	Werner W. Schroeder *General Attorney*

Contents

PAGE

Financial 1
  Balance Sheet Comments 4
  Status of Funds 5
  Settlement with Former Owners 5
  Operating and Construction Budgets 5
  Exchange of Definitive Bonds for Temporary Bonds . . . 6

Operation during 1949 6
  Surface Route Improvements 8
  Rapid Transit 11
  Equipment 12
  Plant Improvement 14
  Rates of Fare 14
  Real Estate 16
  Power Contracts 16
  Pensions 17
  Wage Agreement 18
  Status of Modernization 19
  Public Information 19

Organization and Management 22
  Chicago Transit Board 22
  Operating Organization 22
  Personnel 23

Planning for 1950 25

Financial Statements and Statistics
  Auditors' Certificate 27
  Balance Sheets—December 31, 1949 and 1948 . . . 28-29
  Statement of Funds for the year ended December 31, 1949 . 31
  Statements of Income for the years ended
    Dcember 31, 1949 and 1948 32
  Statements of Application of Revenues for the years
    ended December 31, 1949 and 1948 33
  Operating Statistics 34
  Revenue Equipment Owned 35
  Mileage Owned, Leased and Operated 36
  Transportation Property—December 31, 1948 and
    December 31, 1949 37
  Rates of Fare 38

Chronology 39

Map of System—
  Improvements in 1949 and Since Establishment of Authority . 41

Financial

The accompanying balance sheets of Chicago Transit Authority as of December 31, 1949 and December 31, 1948, and the related statements of income, of funds, and of application of revenues, all of which have been certified by Arthur Andersen & Co., independent public accountants, set forth the financial position of the Authority at those dates and the results of its operations and fund transactions for the fiscal year ended December 31, 1949.

Total revenues for the year 1949 and their application in accordance with the provisions of the Trust Agreement securing the Series of 1947 Revenue Bonds are compared in the following summary with results for 1948:

	1949	1948
Revenues	$116,239,238	$115,645,824
Operation and Maintenance Expenses	105,495,146	103,033,793
	10,744,092	12,612,031
Debt Service Requirements:		
Interest Charges	3,816,250	3,816,250
Deposit to Series of 1947 Revenue Bond Reserve	1,284,000	1,284,000
	5,100,250	5,100,250
Balance before Depreciation	5,643,842	7,511,781
Depreciation (Including in 1948 an accumulated deficit from 1947 of $810,015)	6,500,000	6,210,015
	856,158*	1,301,766
Operating Expense Reserve Fund	—	150,000
	—	1,151,766
Provision for Municipal Compensation	—	1,035,446
Balance Appropriated for Modernization	$ —	$ 116,320

*Deficiency

Earnings in 1949 were not sufficient to cover all costs and other requirements. Deposits to the Depreciation Reserve Fund were $5,643,842 or $856,158 less than the requirements of $6,500,000 determined in accordance with the provisions of the Trust Agreement. No deposits were made in 1949 to the Operating Expense, Municipal Compensation, or Modernization Funds. The deficiency of $856,158 in the Depreciation Reserve Fund must be made up from subsequent earnings before any further deposits may be made to either the Operating Expense Reserve, Municipal Compensation or Modernization Funds. The Operating

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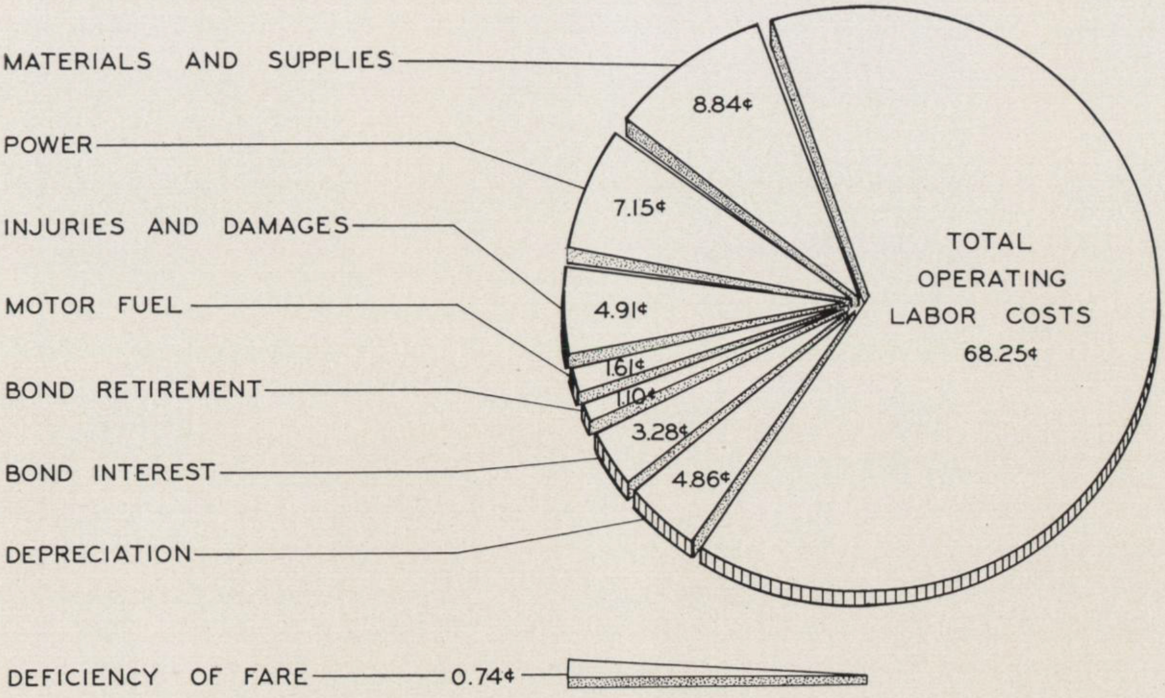
Expense Reserve Funds requirement is not cumulative from month to month and the liability for Municipal Compensation is not cumulative from year to year.

A summary of revenue passenger rides originating on the lines of CTA and the revenues received from the various sources in 1949 and 1948 are shown below:

	1949	1948
Revenue Passenger rides originating on the lines of CTA	847,111,142	963,001,195
Revenues		
Passenger Revenue	$113,962,649	$113,080,207
Chartered Service	16,777	19,214
Post Office Employes	392,002	325,493
City Nurses	11,775	23,306
Total	$114,383,203	$113,448,220
Station and Car Privileges	940,911	1,276,077
Rent of Tracks and Facilities	520,795	492,646
Rent of Equipment	-------------------	1,907
Rent of Buildings and other Property	289,162	267,884
Miscellaneous Revenues	105,167	159,090
Total Revenues	$116,239,238	$115,645,824

DISTRIBUTION OF C.T.A.'S 1949 REVENUE DOLLAR



FINANCIAL

Beginning in the closing weeks of 1948, and continuing throughout 1949, a declining trend in local transit riding was experienced throughout the United States. Traffic on the Lines of the Authority conformed to this national trend. This decline in the number of passengers carried, coupled with increased costs entailed by new contracts covering wages, pensions and electric power service, resulted in insufficient revenues to provide for all deposits to the various funds required by the Trust Agreement. As soon as the several contracts referred to above were consummated steps were taken to make such fare increases as were calculated would produce sufficient revenues to cover the added costs and to meet the requirements of the Metropolitan Transit Authority Act and of the Trust Agreement. The increased fares, as more specifically referred to elsewhere in this report, became effective October 15, 1949. Since their inauguration the fare increases have produced approximately the results which it had been estimated they would produce. The following tabulation shows the total traffic in 1949 compared with 1948, total revenues and balance after bond service requirements and depreciation for each of the four quarters of the year:

Originating Passengers—	January February March	April May June	July August September	October November December	Total for Year
1948	253,431,838	246,875,667	225,429,489	237,264,201	963,001,195
1949	224,185,333	219,008,098	202,363,068	201,554,643	847,111,142
Total Revenues—1949 .	$ 29,714,895	$ 29,164,747	$ 27,131,734	$ 30,227,862	$116,239,238
Available for Bond Service Requirements .	2,429,077	2,530,431	1,715,371	4,069,213	10,744,092
Bond Service Requirements	1,275,115	1,275,115	1,275,010	1,275,010	5,100,250
Available for Depreciation	$ 1,153,962	$ 1,255,316	$ 440,361	$ 2,794,203	$ 5,643,842
Depreciation Requirement	1,625,000	1,625,000	1,625,000	1,625,000	6,500,000
Balance	$ 471,038*	$ 369,684*	$ 1,184,639*	$ 1,169,203	$ 856,158*

Note 1: Increased fares (approximately 2c per adult passenger) were made effective October 15, 1949.

Note 2: Increased employes' pension costs (approximately $140,000 per month) became effective on June 1. A wage increase of 5c per hour also became effective June 1, and a further increase of 5c per hour on December 1. An increase in cost of electric power (approximately $100,000 per month) was effective May 1.

*Denotes red figure.

North Park bus terminal located on Foster Avenue, near Kedzie, scheduled for 1950 occupancy.

The principal elements of operating and maintenance expenses, exclusive of depreciation, in 1949 are set forth below and are compared with similar items in 1948:

	1949	1948
Wages and Salaries	$ 76,090,653	$ 75,107,473
Operating Materials and Supplies	5,727,128	6,545,460
Electric Power Purchased	8,307,908	7,593,242
Motor Fuel Consumed	1,874,983	1,857,708
Provision for Injuries and Damages	5,710,031	5,782,291
Pensions	2,315,812	1,333,522
Employes Insurance	921,622	1,078,367
Other Insurance	126,861	131,859
Miscellaneous Services and Supplies, etc.	4,420,148	3,603,871
	$105,495,146	$103,033,793

From the foregoing comparison it will be noted that the increased costs arising from the new contracts negotiated during the year covering payroll, electric power and pension costs, more than account for the overall increase in operating and maintenance expenses. The approximate offsetting differences in operating material and supplies and miscellaneous services and supplies are due largely to differences in the classification of these costs in 1949 and in 1948.

The increases in hourly wage rates in 1949 computed at the 1948 level of employment would have resulted in increased payroll for the year, of approximately $5,200,000. Through adjustment of schedules to meet traffic needs and economies in operation introduced at various times during the year, this potential increase was reduced to $983,180.

Balance Sheet Comments

A comparison of the balance sheet accounts as of December 31, 1949 and 1948 is shown by the certified balance sheet appended to this report.

The fund held at December 31, 1949 for the benefit of employes included in the Employes' Retirement Plan was transferred on February 28, 1950 to the Trustee appointed in accordance with the Retirement Plan Agreement.

Provision has been made in the accounts of the Authority for its liability to the City of Chicago, under the provisions of Paragraph K of Section 10 of the Ordinance of the City of April 23, 1945, whereby the Authority is obligated to pay the City $5,000 per mile of single track or $10,000 per mile of double track for the repaving of City streets over which operation of tracks has been abandoned by the Authority. Payments are to be made only at such time as the City first repaves the streets and the payments are further limited to a maximum of $300,000 in any one year.

On February 13, 1950 a final decision, adverse to the Authority, was handed down in litigation pending since the acquisition of the transportation properties on October 1, 1947, regarding the liability of the Authority for real and personal property taxes for the last quarter of 1947. These taxes and the penalties accrued thereon, previously noted on the balance sheet of the Authority as a contingent liability, were recorded in the accounts of the Authority at December 31, 1949, in the amount of $641,608.

Status of Funds

Appended to this report are statements, certified by Arthur Andersen & Co., showing the transactions during the year 1949 in each of the funds of the Authority and the balance in each fund at December 31, 1949.

Settlement with Former Owners

With the exception of very minor adjustments, final settlement has been made with the former owners of the Surface Lines. Final settlement with the Trustee of Chicago Rapid Transit Company has been delayed pending adjustment of certain minor items. Provision has been made in the accounts of the Authority for all liability in connection with these settlements.

Operating and Construction Budgets

Total operating and maintenance expenses, including pensions, debt service and depreciation, for the year 1949 were within the amount which had been budgeted for those purposes.

On December 9, 1949 the Transit Board, after complying with the requirements of the Metropolitan Transit Authority Act and of the Trust Agreement securing the Series of 1947 Revenue Bonds, adopted operating and capital budgets for the fiscal year 1950.

There was a total of $95,925,835 budgeted for operating and maintenance expenses, exclusive of employes' pensions, debt service and depreciation. This compares with a total of $103,179,334 expended for such purposes in 1949. It was estimated that pension costs under the Retirement Plan Agreement, effective June 1, 1949, will amount to $3,335,300 for the year 1950 as compared with expenditures of $2,315,812 in the year 1949. The amounts budgeted for debt service and depreciation are the same as the actual requirements for 1949.

Based upon the estimate of revenues for the year 1950 and the 1950 operating budget adopted by the Board, it was estimated that there would be available in 1950 approximately $10,981,000 for the further modernization of the property. The modernization projects uncompleted at December 31, 1949, together with projects which are considered necessary to be undertaken during 1950, will require the expenditure of approximately $9,103,500 and this amount was budgeted for that purpose. Included in this category are the payments remaining to be made, estimated at $2,723,000, on the purchase of 130 elevated cars to be delivered during 1950, and $815,000 for completing two bus garages under construction at the end of the year. There is also included approximately $1,000,000 to complete other projects which were under way at the end of the year.

In addition, the Budget Ordinance listed additional modernization and capital projects, estimated to cost approximately $14,091,000, which are highly desirable and are to be undertaken providing the necessary financing can be arranged. Most of these projects, through resulting operational economies and improvements in service, would be self-liquidating over a comparatively short period of time. Chicago Transit Board is making every effort to arrange for the additional financing required to carry out these projects so that modernization can be carried on at the rate anticipated when the Authority was organized and so that the car riders may realize as soon as possible the benefits that would result from such modernization.

Exchange of Definitive Bonds for Temporary Bonds

Definitive bonds were issued during the year for the purpose of exchanging for the $105,000,000 temporary Chicago Transit Authority Revenue Bonds, Series of 1947 which were originally issued to the purchasers of these securities. Temporary bonds may be exchanged without charge for definitive bonds of a like amount, interest rate, and maturity by presenting the same to the Trustee, The First National Bank of Chicago, Chicago, Illinois.

The Authority arranged during the year, for the listing of its Series of 1947 Revenue Bonds on the Midwest Exchange at Chicago and the New York Curb Exchange.

Operation During 1949

Substantial additional improvements in the service of the Rapid Transit and the Surface Systems were effected in 1949. The principal Rapid Transit improvement consisted of further application of all express service. On the surface system, new bus equipment replaced the operation of old streetcars on a number of routes.

By the year end approximately 822 single-way miles of surface routes had been equipped with modern streetcars and buses since the start of the modernization program in 1945 and 55 per cent of the rides originating on the surface system were on routes with modern equipment.

One of the difficulties that had to be met was the declining use of mass transit. This decline in passenger volume, which is general throughout the nation, is due to three major factors—the tapering off of industrial and business activities from the abnormally high peaks of the war period, intensified use of the private automobile, and the widespread observance of a 5-day work week. On Saturdays and Sundays, the drop is especially sharp. As a typical example, during the three weeks preceding the year-end holidays, the weekday traffic was 13.3 per cent less than during the corresponding period of a year ago. Whereas, Saturday and Sunday traffic declined 19.7 per cent and 20.2 per cent respectively.

The loss in Saturday traffic is to a large extent due to more general application of the five day week. Two major groups which contributed to this were the downtown banks and the railroad offices which closed on Saturdays beginning in the summer of 1949. The loss in Sunday traffic must be attributed largely to the increased use of the automobile. Steps are continually being taken to overcome the effect of these losses, in particular by applying to two-man routes, wherever possible, the use of one-man cars and buses on these light traffic days.

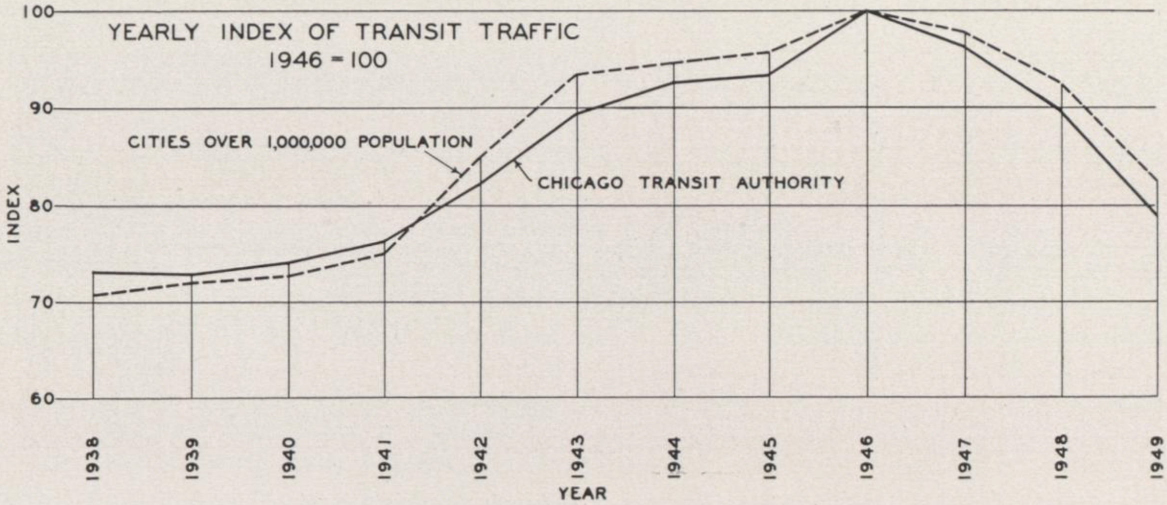
The Authority has received all of the 1000 electrically operated coin registering fare boxes that were ordered early in 1949 and they have been placed in operation on bus routes throughout the system.

As a result of insurance surveys all insurance policies were placed on a uniform basis and fire insurance for coverage of $77,000,000 was placed, effective November 21, 1949, for a three year period.

Rush hour parking control, made effective by the City of Chicago, permitted the elimination of curb parking in the direction of the rush traffic on portions of Madison Street, Milwaukee Avenue, Irving Park Road, Montrose Avenue, Foster Avenue and Ridge Avenue. Surveys made of conditions before and after the change on Madison Street and Milwaukee Avenue indicated an eight to ten per cent improvement in scheduled speed of transit vehicles. The speed up of general traffic was greater than ten percent. The principal benefit of rush hour traffic control to mass transit vehicles, however, consists of improved maintenance of schedules. Prior to eliminating curb parking in the rush hour it was found that as high as 85 per cent of the streetcars on Madison Street completed their trips late. After the controls were put into effect the number of late trips dropped to as low as 12 per cent. A similar benefit was experienced on Milwaukee Avenue. Safety was also enhanced. On these streets there was a greater reduction of transit vehicle—automobile accidents than the system wide reduction for the year. Because of the success of these parking controls a number of other locations are being studied for future application of similar traffic regulations.

Temporary streetcar and bus reroutings were resorted to because of the active program of street paving and bridge improvements being carried forward by the City of Chicago and other agencies concerned with street improvement work. One project which will affect service from the west to the loop over a considerable period is the Wacker Drive development

TRAFFIC DECLINES TO PRE-WAR LEVELS



leading to the Congress Street Superhighway. The Randolph Street bridge area was closed entirely during the latter half of the year. Streetcars and other traffic were rerouted over other bridges. Work in this area required the moving of considerable streetcar track. It was determined not to replace this track as, with increased use of buses, the need for the Randolph Street bridge as a streetcar crossing is eliminated. Traffic rerouting of the other crossings in Wacker Drive will be made as the work progresses.

On May 28, 1949, streetcar operation was resumed on State Street over the new river bridge. The portion of State Street between Wacker Drive and Kinzie Street had been closed to traffic for a period of ten years because the completion of the bridge was delayed during the war. Opening of this bridge permitted direct routing of streetcars, and resulted in improved operation to and from the north side.

Surface Route Improvements

During the year many improvements in service and economies in operation were effected on the Surface System. The new equipment, delivered in 1948, was placed into full service to the extent it had not been assigned prior to the first of the year. Many unusual measures were taken to secure the maximum use of new equipment, such as giving weekend service with modern units on routes that normally are operated with other equipment. The declining traffic enabled adequate service to be rendered with fewer units on most routes. Surplus equipment from the lines equipped with modern units was pooled and used to equip additional routes with new vehicles, to make route changes, and extensions.

New bus service replaced streetcar service on 71.69 round trip miles of route. Bus service was extended over 15.75 round trip miles of route. The miles of streetcar track in operation were reduced from 739.18 to 668.98. The miles of bus route were increased from 692.25 to 785.97.

Trolley buses were substituted for streetcars on the North Avenue, Fullerton Avenue and Belmont Avenue lines. The North Avenue line was extended on the east across Clark

Bus and streetcar terminals on Western Avenue at Berwyn.

Street into Lincoln Park. The Fullerton Avenue through service was extended from Central Avenue to Parkside Avenue on the west and from Halsted Street to Orchard Street on the east via the Lincoln, Orchard, Fullerton loop. The Belmont Avenue through service was extended west to Cumberland Avenue into new territory.

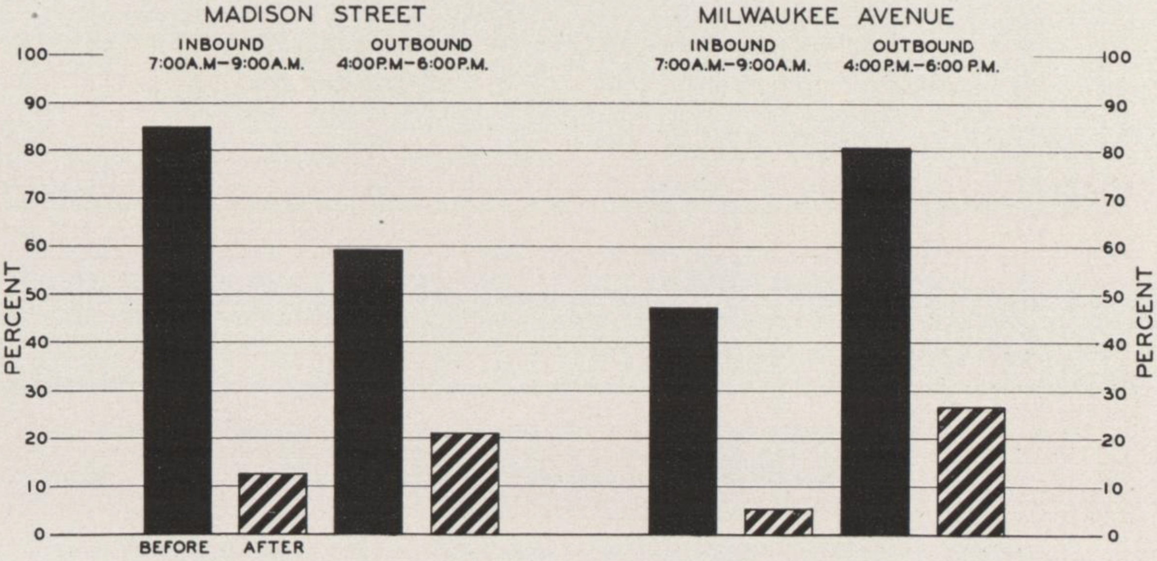
The Halsted Street car line, from the terminal at Waveland and Broadway to 79th and Halsted, was equipped with new PCC streetcars. The section of the Halsted Street route south of 79th Street was converted to motor bus operation and extended to 111th and Pulaski.

The portion of the Kedzie Avenue streetcar service operating from Milwaukee and California via Milwaukee and Kedzie to Bryn Mawr Avenue was discontinued. Coincident with this change was the rerouting of the Kimball-Homan bus line to operate through Logan Square and on North Kedzie Avenue to Peterson Avenue thereby replacing the Kedzie Avenue streetcar service in this area. Another motor bus operation in substitution of streetcar service was made for the portion of the Cottage Grove line which operated on South Chicago Avenue. Coincident with this change a rush hour express bus service, supplementing the local service, was established from 63rd and South Park to Ewing and 108th, making express or transfer stops only north of 92nd Street.

Service extensions, in addition to those made incidental to rerouting or substitution, include motor bus service on 87th Street from Western Avenue to Hamlin Avenue. A new bus route was established on 31st Street from Kostner Avenue to California Avenue. Another new route, known as Yates-95th, operated from 104th Street and Torrence Avenue to 91st Street and Baltimore Avenue, replaced the South Jeffery line on which service was discontinued.

FREQUENCY OF OPERATION

PERCENTAGE OF RUSH HOUR STREETCARS COMPLETING TRIPS LATE BEFORE AND AFTER RUSH HOUR PARKING CONTROL



Bus service with modern equipment replaced streetcar service on Saturdays and Sundays on the Blue Island, Grand Avenue, Cicero Avenue, Wallace-Racine and Stony Island routes. This procedure extended to many persons the advantages of new equipment and improved service. The Wallace-Racine and Stony Island lines for weekend operation were terminated at points short of the loop district, because of the essentially local character of weekend travel. On the Central Avenue and Diversey Avenue routes, operated largely with the older trolley buses on weekdays, an entire fleet of new trolley buses was assigned for weekend operation.

One man streetcars were placed in service on the North Damen Avenue, 79th Street, Ogden Avenue and Lake Street routes. A number of minor reroutings in the interest of improved service and economy were effected. Sunday service was discontinued entirely on the North Pulaski and Fullerton extension shuttle bus lines, and on the Canal-Wacker bus line. The Clybourn Avenue bus route and the Elston Avenue streetcar line were cut back to terminals short of the loop district during the evening hours, and on Saturdays and Sundays.

Additional terminals were developed during the year in accordance with the policy to obtain offstreet terminal facilities wherever possible. Among these was an emergency terminal for streetcars on Western Avenue at Leland, supplementing the bus turnaround at this point which serves the elevated station at Western Avenue on the Ravenswood Branch. 79th and Halsted became a terminal of greater importance with the substitution of bus service for streetcar service south of that point. Convenient transfer facilities and shelters were provided

80 IRVING PK-NEENAH
ENTER AT FRONT
332

Trolley buses replacing streetcars made street improvement possible on Irving Park Road.

at the enlarged terminal. Direct service to and from Lincoln Park was provided by the construction of a terminal for the North Avenue trolley bus in park area just east of Clark Street. Permission for the terminal was obtained from the Chicago Park District.

Rapid Transit

The most discussed improvement effected during the year was the installation of all express service for the North-South subway and elevated lines. This all express service reduced running time by four to five minutes, provided more frequent service, and permitted economies that were particularly helpful. Intervals between trains were cut by one to three minutes thus substantially reducing waiting time. The service was placed in operation on August 1, 1949, after more than seven months study and planning and after a series of twelve public hearings at which the plan was explained by staff engineers. Comments and suggestions were presented by civic groups, by members of the City Council, and by individual citizens. Helpful suggestions received at the public hearings resulted in some modifications of the original plan.

Operating benefits obtained from the new service included abandonment of 23 lightly used stations, and elimination of costly duplication of service as well as elimination of competition between the rapid transit and surface systems for local riders. Closer coordination of the two systems was achieved in feeding surface riders to the rapid transit system for the long ride portion of their trips, and in providing connections to surface routes for persons alighting at rapid transit stations.

Operation of all express service between Ravenswood and the downtown "L" loop, and between Howard and Jackson Park and between Howard and Englewood, was made possible by inaugurating shuttle train service on the lightly patronized Kenwood, Normal Park and Stock Yards branches. Most of the users of the stations being discontinued live or work within one-quarter mile of a North-South station. The remainder can conveniently reach a North-South station by streetcar or bus. After the installation of this service, which is shown graphically herein, only minor adjustments were required in this improved operating plan. Steps are being taken to dismantle such stations as will no longer be required.

On July 10, 1949, motor bus service was substituted for rapid transit train operation on weekends on the Douglas Park Branch west of the Cicero Avenue station in the town of Cicero. This motor bus service eliminated the need for protection of the many grade crossings on this section of the route from early Saturday morning until early Monday morning each week. It extended service one-half mile to the west during the period of bus operation. Rates of fare and transfer privileges on this weekend motor bus service are identical with those on the rapid transit system.

Legal proceedings were initiated by the town of Cicero and City of Berwyn and others in the County Courts to enjoin the Authority from operating motor buses in lieu of train service. These municipalities contended that the operating ordinances running to the predecessor companies were applicable to the Transit Authority and hence the Authority, by discontinuing rail service, had violated its agreement. The case was continued from time to time and no decision had been reached as of the close of the year.*

Terminal track improvements to expedite the movement of rapid transit trains were installed at Howard Street, at Kimball Avenue on the Ravenswood branch and at Loomis Street on the Englewood branch.

Additional improvements were authorized or effected at the busy Fullerton Avenue elevated station by constructing a stairway and extended shelters, at the Stony Island station by the construction of an additional stairway and overhead passageway to the east side of the street, and by improvement to the Damen Avenue station on the Logan Square route to facilitate passenger interchange with the North Avenue trolley bus route. Public address systems were installed at various locations to direct passengers and expedite train movements. Further improvements along these lines are contemplated for the remainder of the rapid transit system.

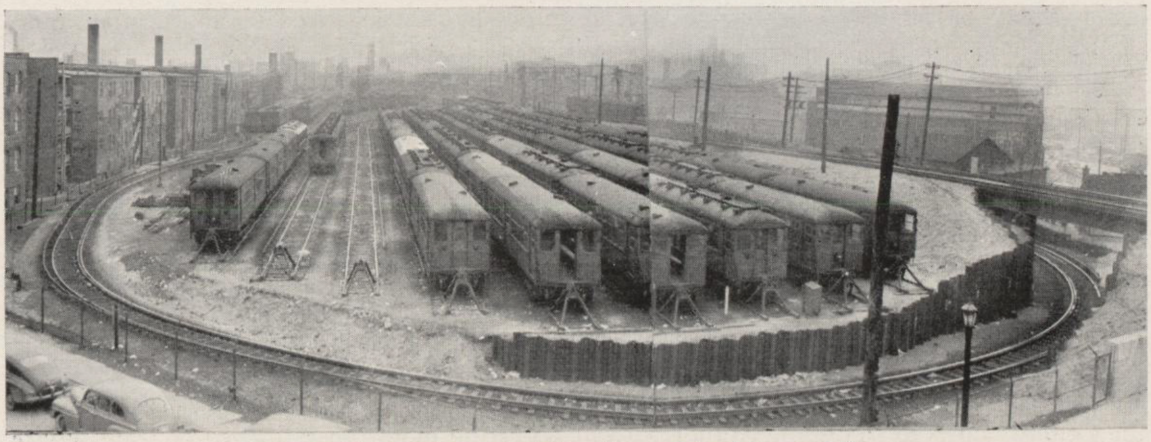
Equipment

No additional new passenger cars or buses were received in 1949. Improved maintenance methods and more adequate service facilities made possible more extensive use of the new equipment on hand.

Steps were taken to improve other equipment so as to give better service with more economical operation. This included a program to convert 156 two-man streetcars for use in one-man operation. At the close of the year 124 of these cars had been remodeled. Installation of multiple unit door control on 393 of the steel rapid transit cars was begun and this work was well underway at the close of the year.

Delivery of the 130 new rapid transit cars, all for use in the Milwaukee-Dearborn-Congress Subway, will start in the summer of 1950 and it is expected that delivery of all units will be completed when the subway is ready for operation.

As a means of determining the type of equipment for future delivery a number of buses of various types have been placed in experimental operation from time to time. Among them



New Rapid Transit terminal loop just north of Howard Street.

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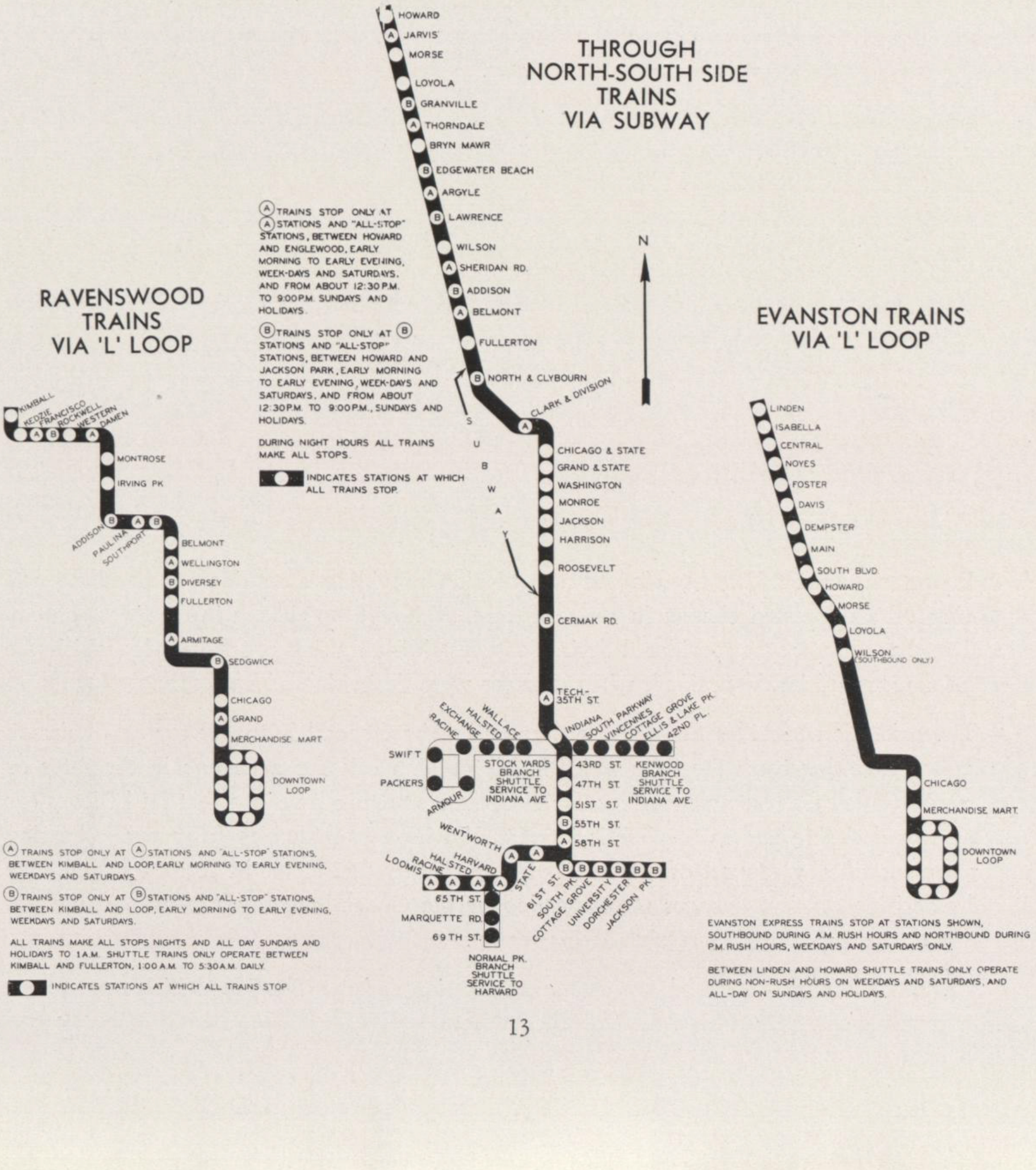
*On February 8, 1950 the Court denied the petition of the municipalities affected and upheld the action of the Authority.

was a 58 seat trolley bus, which in actual operation indicated that a bus of this capacity could maintain its place in traffic as readily as the smaller units.

Development of specifications for motor buses and trolley buses was completed incorporating all the features desired in the fleet of buses proposed to be acquired in 1950.

During the year 160 old streetcars and one trolley bus were retired from operation.

NEW NORTH-SOUTH ALL-EXPRESS SERVICE


THROUGH NORTH-SOUTH SIDE TRAINS VIA SUBWAY
HOWARD
JARVIS
MORSE
LOYOLA
GRANVILLE
THORNDALE
BRYN MAWR
EDGEWATER BEACH
ARGYLE
LAWRENCE
WILSON
SHERIDAN RD.
ADDISON
BELMONT
FULLERTON
NORTH & CLYBOURN
CLARK & DIVISION
CHICAGO & STATE
GRAND & STATE
WASHINGTON
MONROE
JACKSON
HARRISON
ROOSEVELT
SUBWAY
CERMAK RD.
TECH-35TH ST.
INDIANA
SOUTH PARKWAY
VINCENNES
COTTAGE GROVE
ELLIS & LAKE PK
42ND PL.
WALLACE
HALSTED
EXCHANGE
RACINE
SWIFT
PACKERS
ARMOUR
STOCK YARDS BRANCH SHUTTLE SERVICE TO INDIANA AVE.
KENWOOD BRANCH SHUTTLE SERVICE TO INDIANA AVE.
43RD ST.
47TH ST.
51ST ST.
55TH ST.
58TH ST.
WENTWORTH
HARVARD
HALSTED
RACINE
LOOMIS
STATE
65TH ST.
MARQUETTE RD.
69TH ST.
NORMAL PK. BRANCH SHUTTLE SERVICE TO HARVARD
61ST ST.
SOUTH PK.
COTTAGE GROVE
UNIVERSITY
DORCHESTER
JACKSON PK
N
RAVENSWOOD TRAINS VIA 'L' LOOP
KIMBALL
KEDZIE
FRANCISCO
ROCKWELL
WESTERN
DAMEN
MONTROSE
IRVING PK
ADDISON
PAULINA
SOUTHPORT
BELMONT
WELLINGTON
DIVERSEY
FULLERTON
ARMITAGE
SEDGWICK
CHICAGO
GRAND
MERCHANDISE MART
DOWNTOWN LOOP
EVANSTON TRAINS VIA 'L' LOOP
LINDEN
ISABELLA
CENTRAL
NOYES
FOSTER
DAVIS
DEMPSTER
MAIN
SOUTH BLVD.
HOWARD
MORSE
LOYOLA
WILSON (SOUTHBOUND ONLY)
CHICAGO
MERCHANDISE MART
DOWNTOWN LOOP
A
B

Ⓐ TRAINS STOP ONLY AT Ⓐ STATIONS AND "ALL-STOP" STATIONS, BETWEEN HOWARD AND ENGLEWOOD, EARLY MORNING TO EARLY EVENING, WEEK-DAYS AND SATURDAYS, AND FROM ABOUT 12:30 P.M. TO 9:00 P.M. SUNDAYS AND HOLIDAYS.

Ⓑ TRAINS STOP ONLY AT Ⓑ STATIONS AND "ALL-STOP" STATIONS, BETWEEN HOWARD AND JACKSON PARK, EARLY MORNING TO EARLY EVENING, WEEK-DAYS AND SATURDAYS, AND FROM ABOUT 12:30 P.M. TO 9:00 P.M., SUNDAYS AND HOLIDAYS.

DURING NIGHT HOURS ALL TRAINS MAKE ALL STOPS.

● INDICATES STATIONS AT WHICH ALL TRAINS STOP.

Ⓐ TRAINS STOP ONLY AT Ⓐ STATIONS AND "ALL-STOP" STATIONS, BETWEEN KIMBALL AND LOOP, EARLY MORNING TO EARLY EVENING, WEEKDAYS AND SATURDAYS.

Ⓑ TRAINS STOP ONLY AT Ⓑ STATIONS AND "ALL-STOP" STATIONS, BETWEEN KIMBALL AND LOOP, EARLY MORNING TO EARLY EVENING, WEEKDAYS AND SATURDAYS.

ALL TRAINS MAKE ALL STOPS NIGHTS AND ALL DAY SUNDAYS AND HOLIDAYS TO 1 A.M. SHUTTLE TRAINS ONLY OPERATE BETWEEN KIMBALL AND FULLERTON, 1:00 A.M. TO 5:30 A.M. DAILY.

● INDICATES STATIONS AT WHICH ALL TRAINS STOP

EVANSTON EXPRESS TRAINS STOP AT STATIONS SHOWN, SOUTHBOUND DURING A.M. RUSH HOURS AND NORTHBOUND DURING P.M. RUSH HOURS, WEEKDAYS AND SATURDAYS ONLY.

BETWEEN LINDEN AND HOWARD SHUTTLE TRAINS ONLY OPERATE DURING NON-RUSH HOURS ON WEEKDAYS AND SATURDAYS, AND ALL-DAY ON SUNDAYS AND HOLIDAYS.

Plant Improvement

Continued progress was made throughout the year on construction of additional servicing and storage facilities for buses.

The Beverly bus garage at 103rd and Vincennes was opened for operation on December 4, 1949. This is the first new all bus garage to be built by Chicago Transit Authority. Ten of the far southside bus routes are being operated out of this depot. The building, costing approximately $900,000, is constructed of face brick with glass block panels. It provides modern servicing facilities, as well as storage space, for 125 buses. This new terminal building is 350 feet long and 200 feet wide on the ground floor. It also provides office and waiting room space for the transportation department, supervisory and operating personnel on the second floor, which covers a portion of the building.

Preparation of the site, including paving, was nearly completed on the North Park bus garage to be located at Kedzie and Foster Avenues. Construction of the service and shops building and the transportation building at this location was also underway. This garage will provide storage capacity for more than 400 buses.

The Burnside car house located at 93rd Street and S. Drexel Avenue was retired from operation. One of the oldest on the system, this car house operation became too small to be conducted economically because a number of streetcar lines in that area had been converted to bus operation. The remaining car operation was transferred to the station at 77th and Vincennes.

Other additions to plant, to ensure better and more efficient service, included snow fighting equipment, modern shop tools and additional store room facilities, bus washers, and emergency utility equipment. A new rail puller was put in service which, by means of two 125 ton hydraulic jacks, can pull up in excess of 1000 feet of rail per day. This has proved helpful in expediting the street repaving program of the City of Chicago on those routes where buses have been substituted for streetcar operation.

Rates of Fare

The Board, on April 26, 1949, adopted a resolution providing a routine for handling and disposing of a suggested change in rates of fare. Although no change in fare was contemplated at that time, it was considered desirable to establish routine procedures by which the rates of fare would be determined, when changes were desirable and necessary.

The resolution provides for a written report by the General Manager to the Chairman of the Board, setting forth the facts which in his opinion call for a change in the rates of fare, accompanied by recommendations for such fare structure revisions that he believes are necessary or desirable and in the public interest. Provision is made also for a public hearing and representation by counsel of any affected municipality desiring to be so represented. The Board's decision on fare changes recommended by the General Manager is to be made not later than 20 days following receipt of his report.

This procedure was followed, with some clarification and modifications which were found necessary by the Board, in the fare hearings which were held in September and October. The General Manager had proposed an adjustment in rates of fare, which was formally received by the Board on September 14, 1949, and had recommended a 15 cent fare on the Surface System and a 20 cent fare on the Rapid Transit System for adult passengers. He stated that increased rates were necessary to offset the effect of declining traffic and to meet increased costs resulting particularly from the pension and wage settlements. He reported that, in spite of substantial operating economies, a deficit of approximately $9,307,000 could be expected by May 31, 1950, under the then existing fare rates, after provision for depreciation but before any provision for operating expense reserve, municipal compensation or modernization.

Public hearings were held by the Board on September 22, 23, 27, 28, 29, 30, and October 3, 4, 5, 6, and 7. At the hearings the General Manager and the staff of Chicago Transit Authority presented not only detailed facts and data in support of the report and recommendations of the General Manager but also prepared and presented additional materials requested by members of the Board, by various representatives of municipalities, and by others who participated in the proceedings. Municipalities, public officials, civic associations, labor organizations, and other interested groups and individual citizens participated fully by presenting evidence, examining and cross-examining the witnesses, presenting suggestions, contentions, arguments and opinions, orally and by motions and petitions.

Management witnesses strongly emphasized the requirements of Section 30 of the Metropolitan Transit Authority Act which requires the Authority to charge rates of fare sufficient in the aggregate to meet operating and maintenance costs including pension costs and all fixed and other charges. The latter include debt service, depreciation, allowance for extraordinary operating expenses, for compensation for use of city streets and city-owned subways, and provision for modernization.

On October 13, 1949, after reviewing the evidence, the Board adopted an ordinance prescribing changes in rates of fare effective at 12:01 A.M. Saturday, October 15, 1949. Adult fares on the Surface System were increased from 13 cents to 15 cents, and adult rates on the Rapid Transit System were increased from 15 cents to 17 cents. Children and school fares were increased from 6 cents to 7 cents. The 20-cent through fare for suburban riders was not changed.

Counsel for one of the groups that participated in the public hearings attempted to enjoin the Authority from putting the new rates into effect, a temporary injunction by the Circuit Court was promptly set aside by the Appellate Court pending a full and complete hearing. At the conclusion of the hearing the Appellate Court ruled against the plaintiffs.

The Board is of the opinion that promotional fares of various types may be adopted after there is assurance that revenues will be adequate. In line with this opinion the Board established, effective October 17, 1949, an experimental rush hour 10-cent shuttle service between the Northwestern and Union depots and the heart of the central business district. This included special 10-cent streetcar service operating on Madison Street eastbound in the morning and westbound in the evening, as well as several 10-cent bus routes serving principally Canal Street, E. Wacker Drive and Adams Street.

Real Estate

A thorough study was made of all real estate owned by the Authority as to its future usefulness in local transit operations. The purpose of this survey was to enable the Authority to offer for sale real estate no longer considered necessary for present or future local transit operations.

Thirty-two parcels of non-operating real estate were contracted for sale during the year 1949 for a total sales price of $799,294. Sales were made to the highest bidders, after advertising, and after receiving appraisals and recommendations from our real estate consultants. Several small parcels were sold by direct negotiations where satisfactory bids had not been received.

The Authority had 9 additional parcels of real estate on the market to be sold in 1950. The total valuation of these parcels was approximately $500,000.

For operating purposes, principally for off-the-street terminals and new garage sites, the Authority purchased 13 parcels of real estate during the year at a total cost of $122,074.

Power Contracts

On June 9, 1949, the Board approved contracts with the Commonwealth Edison Company and the Public Service Company of Northern Illinois for electric service to be furnished to the Authority during the ten year period from May 1, 1949, to and including April 30, 1959, and thereafter until terminated by either party at the end of any month on not less than one year's notice.

Off-street connection between surface and elevated routes at Leland and Western.

A temporary agreement had been in effect since October 1, 1947, which was virtually a continuation of several predecessor contracts negotiated in 1912 and 1913 except for waivers and adjustments of the original fuel cost and conversion charges. The temporary arrangement involved the obligation to negotiate a new contract.

It is estimated that, based on CTA power requirements at the time for negotiations, the new contracts would increase power bills by approximately $1,118,000 per year. Of this, $300,000 is due to new or additional taxes (3 per cent state utility tax and an additional 1 per cent City Compensation) imposed upon Commonwealth Edison within recent years. The balance of $818,000 largely reflects the higher cost of generating and distributing power due to increases in the cost of labor and materials since 1931, when those factors were pegged at the then existing costs.

Under the contracts the power companies turned over to the CTA, without charge, ten substations and associated land and buildings, where local transit use is exclusively served, as well as the local transit power conversion facilities in twenty other substations serving both street railway and other customers. This is in accordance with a program to put all such conversion facilities directly under CTA.

Pensions

A Board of Arbitration, consisting of Hon. Wm. V. Brothers, Judge of the Circuit Court of Cook County, State of Illinois, Chairman; Hon. Cornelius J. Harrington, Judge of the Circuit Court of Cook County, State of Illinois, arbitrator appointed by Division 241 and 308, Amalgamated Association of Street, Electric Railway and Motor Coach Employes of America; and Mr. Thomas C. Strachan, Jr., arbitrator appointed by Chicago Transit Authority, was constituted in accordance with the arbitration agreement entered into between the parties on March 8, 1949. Having been notified of their respective appointments, the Board began the hearing of evidence on April 11, 1949. The hearings were concluded on Friday, May 6, 1949.

The Board of Arbitration made its award on May 11, 1949. Thomas C. Strachan Jr., arbitrator appointed by Chicago Transit Authority dissented from the majority opinion stating among other things, that:

> "Any financial burden of the C.T.A. must be borne by its patrons. On the basis of the evidence as I understand it, the conclusion is unescapable that C.T.A. cannot carry the added burdens imposed by the majority without increasing fares, and that it would be improvident to postpone the increase until a deficit actually occurs."

The award provided that the pension plan applied to all employes covered by the collective bargaining agreements in effect between the parties, including employes on leave of absence while holding office in the Association or its International Office. Based on the arbitration award, an agreement was entered into for a period of three (3) years beginning June 1, 1949, and renewable by mutual agreement for successive periods of three years each. The agreement provides that either party may request changes and amendments by serving notice upon the other party within sixty (60) days prior to June 1, 1952, and triennially thereafter. It provides further that in the event the parties cannot agree on such changes or amendments requested as of June 1, 1952, or as of a subsequent opening date, such changes and amendments shall be submitted to a board of arbitration for final and binding decision.

Except for certain limitations, the contributions of the Authority and of the employes are the following stated percentages of compensation from the effective date of the Plan:

	Employes	Authority
1st year (June 1, 1949 to May 31, 1950)	Two (2) per cent	Three (3) per cent
2nd year (June 1, 1950 to May 31, 1951)	Two (2) per cent	Four (4) per cent
3rd year (June 1, 1951 to May 31, 1952)	Two and one-half (2.5) per cent	Five (5) per cent

An employe retiring at the normal retirement date (age 65) will receive an annual retirement allowance paid in equal monthly installments for life which will be computed according to the following formula:

> (1) One (1) per cent of his annual rate of past service compensation for each year of continuous service from the date of original employment to the effective date of the Plan; plus
>
> (2) One and one-half (1½) per cent of the employe's compensation for continuous service from and after the effective date of the Plan.

Such allowance will be not less than Seventy-five Dollars ($75.00) per month provided the employe has had twenty (20) years of continuous service and has attained the age of sixty-five (65) years or more.

No employe will be eligible to receive a retirement allowance unless he shall have been employed for at least three years of continous service.

Numerous other provisions are included in the agreement. The cost of pensions, including the deposit in lieu of social security, to the Authority for the year preceeding the new contract was $1,329,000. The estimated costs of pensions, including the deposit in lieu of social security, to the Authority for each of the three years covered by the new agreement are as follows:

For 12 months ending May 31, 1950	$3,200,000
For 12 months ending May 31, 1951	$4,000,000
For 12 months ending May 31, 1952	$4,800,000

The later rate will be maintained after May 31, 1952, subject to amendment either by agreement or arbitration

Wage Agreement

The various unions served notice on Chicago Transit Authority sixty days prior to the termination of the agreements, which expired on May 31, 1949, indicating their desire to open the contracts for adjustments of wages and working conditions. The unions had requested an increase of fifteen cents per hour in wage rates which, together with changes in working conditions that were proposed, would add a total of $11,000,000 per year to the labor costs based on the employment level at the time the new contracts were negotiated.

Agreements were first reached with Division 241 and 308 of the Amalgamated Association of Street, Electric Railway and Motor Coach Employes and the basis for contracts with these unions as to wages and conditions of employment for the contract year beginning June 1, 1949, were approved by the Board on September 8, 1949.

Basically these contracts provided for an increase of five cents per hour effective June 1, 1949, with an additional increase of five cents per hour effective December 1, 1949. Agreements were reached with the other unions along similar lines and were approved by the Board on December 1, 1949. The estimated cost of the adjustment in wages and working conditions is approximately $6,000,000 per annum based on the employment level at the time the new contracts were negotiated.

Status of Modernization

The status of the $150,000,000 modernization program which was adopted by the Board prior to the sale of its revenut bonds, is reflected to the end of the year 1949 herewith.

Total Estimated Cost of Modernization Program			$150,000,000
Modernization Program Completed to Date:			
Expenditures made by:			
Chicago Surface Lines and Chicago Rapid Transit Company with approval of Chicago Transit Authority		$11,772,000	
Chicago Transit Authority:			
October 1, 1947 to December 31, 1948.	$25,603,000		
Year ended December 31, 1949	5,118,000	30,721,000	
			$ 42,493,000
Modernization Program remaining uncompleted at December 31, 1949			$107,507,000

The program, as adopted, contemplated that $52,125,000 would be expended by the close of the fiscal year 1949. Of the $42,493,000 expended, $33,408,000 was for new passenger vehicles. This includes 600 PCC streetcars, 900 motor buses, 210 trolley coaches and 4 rapid transit cars. Partial payments of $756,000 for work in progress, have been made on the 130 rapid transit cars on order.

Public Information

A comprehensive program of public information, established in 1947 to keep riders advised of all phases of CTA, operations, modernization efforts, and finances, was carried on at an accelerated pace during the year 1949.

Frequent release of news stories of this nature to metropolitan and community newspapers, news service agencies, and radio-television stations, continued to be a highly important part of the informational activity.

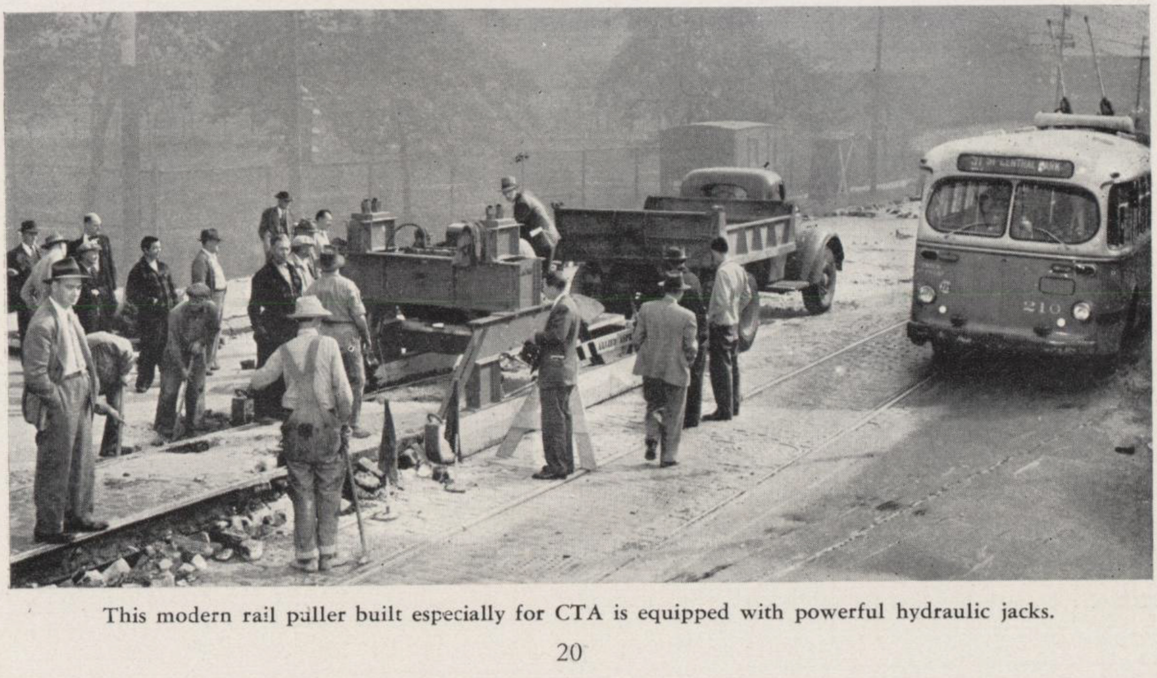
In addition to the preparation of such releases, the Public Information Department continued to act as a clearing house for newspapers and radio stations in the development of suitable material for feature stories and broadcasts, and in furnishing factual data concerning unusual occurrences on CTA properties to the public and press alike.

Other media, such as paid newspaper advertising, car and station cards, posters, signs, window stickers, direct-mail pieces and the CTA bi-monthly passenger publication, RIDER'S READER, were also used to assure full dissemination of important service information to the riding public.

A promotional campaign designed to encourage increased use of CTA facilities was conducted consistently throughout the year. Paid newspaper advertising space was used in the early part of 1949 and display facilities on CTA vehicles and rapid transit structures were employed regularly. The campaign, generally, featured points of interest in Chicago served by CTA lines, and stressed the advantages of public transit vehicles over the private automobile.

About 200,000 copies of a system-wide transit map of Chicago were distributed throughout the year to both regular riders and visitors in Chicago. In addition, 50,000 copies of a SEE CHICAGO folder, featuring attractions in the city and adjoining suburbs, were distributed during the summer months to stimulate travel on CTA lines during off-peak hours.

The Chicago Transit Authority continued to cooperate in publicizing various civic, charitable and patriotic promotional programs in 1949. Typical examples of the activities represented in such campaigns include, the Mayor's committees for reduced traffic accidents, for staggered working hours, and for a cleaner city; the Chicago Park District and Cook County Forest Preserve District efforts to stimulate wider use of their recreational facilities; the recruiting drives of the Army, Navy and National Guard; and the fund-raising appeals of the Red Cross, Community Fund, Heart Association, and similar organizations.



This modern rail puller built especially for CTA is equipped with powerful hydraulic jacks.

A series of traffic safety posters were prepared by CTA for display in public and parochial grammar schools, with the endorsement of city, school and safety officials. Because of the popularity of this initial effort, additional posters have been prepared for use in the grammar schools in 1950, and a new series is being introduced in the high schools in cooperation with the Chicago Safety Information Committee and the School Board.

As a further effort to reduce street traffic accidents, CTA published a safety booklet, with the assistance and approval of city officials and safety leaders. A total of 500,000 copies of this booklet were distributed to motorists in the city's automobile safety lanes during the year.

The Public Information Department also publishes a monthly magazine which circulates to CTA's 21,000 employes. It keeps the CTA family abreast of latest developments within the organization and the industry generally, and carries feature material designed to encourage better and more courteous transit service.

Since its inception, CTA has welcomed service suggestions and constructive criticism from its riders. To make certain that these ideas receive prompt consideration and reply, all such communications from the public, both verbal and written, are recorded and routed into proper channels by the service section of the Public Information Department.

Every effort is being made to establish the efficiency of CTA's public information service at the highest possible level, to the end that the public may be thoroughly familiar with the activities and plans of the Authority which are so vital to the future welfare of the Chicago area.

This department also has the responsibility of supervising the sale and display of advertising, as well as the operation of concessions, on CTA facilities.

In the process of letting contracts the Board ordered, during the summer of 1948, a study by the Public Information Department of car card advertising for use in deciding preferable forms of agreement to cover these activities on the Authority's properties. This study was completed early in the year 1949 and, with the information so provided, the management negotiated a two year contract with Chicago Car Advertising Co. to continue the operation of card and poster advertising on facilities of the CTA. During the later months of 1949, actual procedure was started to request approval of the City Council for use of commercial display on the exteriors of passenger equipment, which, when effective, will yield a substantial amount of additional revenue to the CTA.

Contract documents covering newsstand and vending machine concession rights for five year periods, at rapid transit passenger stations and employe locations were, after complete studies, prepared and advertised for bids. Late in December, 1949, the Board awarded four of these contracts on satisfactory bases. The fifth, covering vending of soft drinks at rapid transit passenger stations, was rejected for readvertising early in 1950.*

There is reason to anticipate that, under the new bases of agreements and operations, these concessions will also produce worthwhile increases in revenue.

***The contract for vending of soft drinks at rapid transit stations was awarded on February 2, 1950.**

Organization and Management

Chicago Transit Board

Philip Harrington, first Chairman of Chicago Transit Board, died on February 11, 1949. It was due to Mr. Harrington's able direction that Chicago Transit Authority was established as a going operation and that the program of transit modernization was well underway. Statements covering Mr. Harrington's life and accomplishments were printed in the 1948 annual report of this Board.

Mr. Ralph Budd, who retired as President of the Chicago, Burlington & Quincy Railroad Co. on August 31, 1949, was appointed a member of Chicago Transit Board effective May 25, 1949 for the unexpired part of Mr. Harrington's term, which expires on September 1, 1952. The appointment of Mr. Budd was made by the Honorable Martin H. Kennelly, Mayor of Chicago, and approved by the Honorable Adlai E. Stevenson, Governor of Illinois. Mr. Budd was elected Chairman of the Board for a three year period beginning September 1, 1949. Mr. Budd served without compensation until he was elected Chairman.

The term of Mr. Frank McNair as a member of the Board expired on September 1, 1949. He continued to serve, however, as provided by law, until the appointment of his successor was confirmed. He was succeeded by Mr. John S. Miller, who was appointed by the Honorable Adlai E. Stevenson, Governor of Illinois. The appointment was approved by the Honorable Martin H. Kennelly, Mayor of Chicago, and became effective December 20, 1949, and is for the period ending September 1, 1956. Mr. Miller is a partner in the law firm of Taylor, Miller, Busch and Magner.

In the transaction of its business during the year the Board held thirty-one meetings all of which were open to the public. The Board held numerous conferences and presided at twelve public hearings in connection with the establishment of all-express North-South rapid transit service and conducted public hearings extending over eleven days on the proposed changes in rates of fare. The committee on service and extensions held numerous public hearings also, and met frequently with the engineering and operating staff to consider service problems. The various committees considered purchase of materials and supplies, sales and purchases of real estate, placing of insurance, new power contracts with the Commonwealth Edison Company and the Public Service Company of Northern Illinois, new contracts for advertising in cars and stations and for concessions, design and specifications of new equipment, and the settlement of pension and wage requests, and other factors relating to employment.

Operating Organization

Unification of the separate electrical departments of the Surface and Rapid Transit Systems was made effective early in the year and Mr. Carl W. Wolf was appointed electrical engineer in charge of the department. Mr. H. M. Essington was appointed electrical engineer in charge of power and Mr. J. M. Michnick was appointed electrical engineer in charge of distribution system.

Other examples of unification within the organization included adding the supervision of operation of the loop section of the Rapid Transit System to the West side section; and the consolidation of the service of the utility and wreck truck divisions into the utility and emergency service division. The Hamlin Avenue inspection shop of the Rapid Transit System was consolidated with the west shops of the Surface System.

Police powers were given to the Authority's small staff of plain-clothesmen by action of the Board. This was pursuant to the Metropolitan Transit Authority Act which gives the Authority the power to police its properties. The operatives may now pursue and arrest pick-pockets and purse-snatchers beyond the limits of the Authority's property.

Personnel

During the year 1355 transportation department operating personnel left the service of the Authority. Of these 502 retired on pensions or disability. New employes hired numbered 580. There was a net decrease of 775 transportation employes by the end of the year with 11,652 in this service.

Of the employes in other departments, 759 left service during the year, 236 being retired on pensions or disability, 432 new employes entered service. At the close of the year there were 20,873 persons in all employed by the Authority or about 1000 less than a year ago.

SUN
EQUIPMENT

Beverly Bus garage is equipped with the latest in modern maintenance equipment.

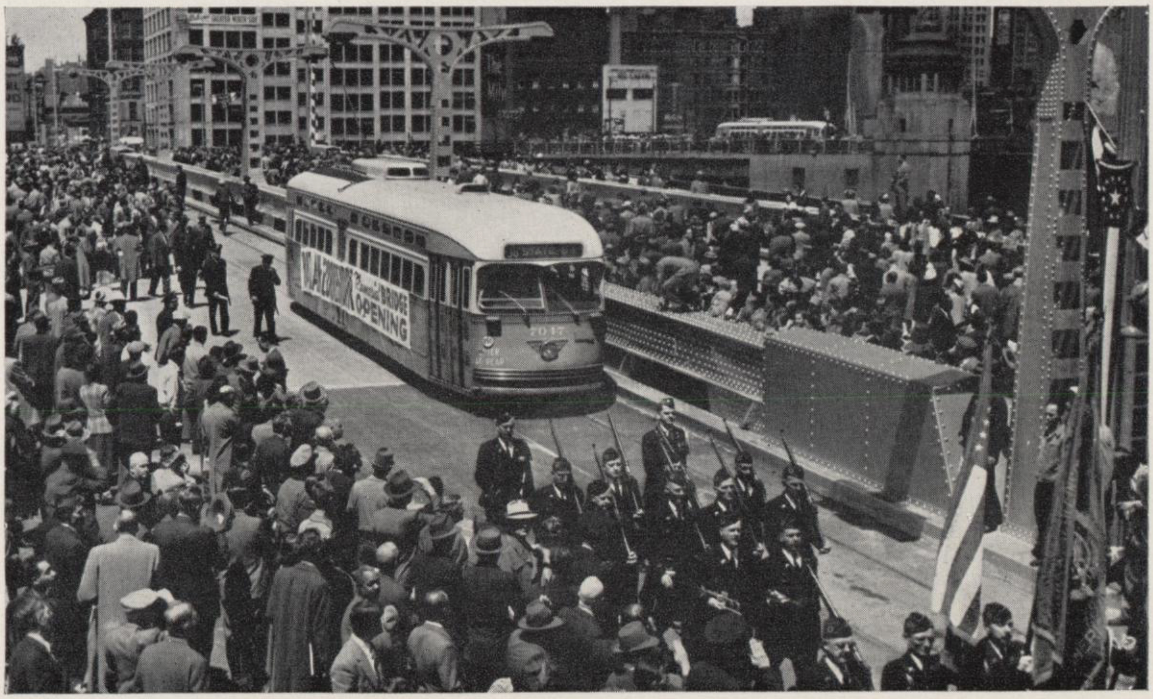
Mr. G. T. Hellmuth, Chief Attorney of the General Law Division, retired on November 30th.

The following department heads died during the year—Mr. P. N. Simmons, Manager of Personnel; Mr. William A. Hall, Superintendent of Transportation for the Surface System; and Mr. L. J. Dixon, Storekeeper. They were men of especially high standing and attainment in their particular fields of activity.

As a result of these retirements and deaths a number of new appointments and divisions of duties were made. Mr. William S. Allen was appointed Chief Attorney of the General Law Division and Mr. James O. Dwight was appointed Chief Attorney of the Accident Division. Mr. R. J. McKinney was appointed General Superintendent of Transportation for the Surface System. Mr. J. T. Harty was appointed General Storekeeper. The Employment, Accident Prevention, Training and Job Classification Departments which formerly reported to the Manager of Personnel now report to Mr. Charles E. Keiser, Executive Assistant. The Medical Department reports to Mr. H. B. Storm, Superintendent of Employe Benefits and Insurance. All of these appointments were made from the personnel of the Authority.

Concerning general employment matters the Employment Committee of the Board was constituted a committee to hear all complaints based upon discharge or demotion of employes or officers of Chicago Transit Authority as provided under Section 28 of the Metropolitan Transit Authority Act.

Concerning the classification of employes required under the Metropolitan Transit Authority Act the job analysis portion of the program was completed during the year. The



After ten years, the bridge over the Chicago River at State Street was completed.

duties and responsibilities of all employes of the Authority, as represented by approximately 1500 job analysis schedules, have been analyzed and reviewed by representatives of management and labor. These job schedules have been grouped into 350 job classifications which will provide the factual data required for more effective personnel administration.

These data are being utilized in day to day operations and discussions are being held with representatives of the employes to develop a simplified salary structure for non operating personnel. The job structures are being used as a basis for preparing job bulletins and for developing hiring specifications and work standards.

Planning for 1950

Among the improvements that are urgently needed to be completed in 1950 is the modernization of the South Shops for more effective maintenance of modern rolling stock. The Logan Square terminal must likewise be rearranged to permit more shop work to be done there when subway operation with new cars is introduced on the Logan Square "L" line. Adequate transfer facilities between Surface and Rapid Transit should also be developed at Logan Square. Terminal facilities should be developed at Cicero Avenue on the Douglas Park Branch of the rapid transit system to provide adequate transfer facilities for bus routes which should terminate at this location.

It is also desirable to start development of the site at Central and Bryn Mawr Avenues for housing and servicing facilities for trolley buses and motor buses. A substantial start on this development, which will house in excess of 400 units, is dependent upon additional financing.

Orders for new passenger equipment are likewise dependent upon additional financing. It is the purpose to acquire about 500 additional buses and 300 rapid transit cars, including the 130 subway-elevated cars which are under construction.

The Milwaukee-Dearborn-Congress Subway being built by the City of Chicago and the Federal Works Agency is expected to be readyfor operation before the end of the year. This will require some rearrangement of Chicago Transit Authority facilities.

In considering plans for 1950 we may well review the effect of the second year of operation of several major improvements. The first relates to the Archer Avenue line, which in 1948 was converted from part streetcar and part bus service to all bus operation, with both local and express service. The fare for express service was set at the same rate as the rapid transit fare. The gain in passenger revenue on this route during the year 1949 as compared with 1948 was 8.9 per cent. Whereas, the passenger revenue increase on all of the Surface system routes was but 1.1 per cent. The all-express service on the Lake Street elevated line was likewise in its second year of operation. In 1949 the passenger revenues from that route was 6.9 per cent higher than in 1948. Whereas, the loss in passenger revenue on the rapid transit system as a whole was 0.2 per cent. These instances indicate the favorable response to improved service.

We are hopeful that the modernization can be continued and even speeded up. People naturally want the best service they can get at the lowest fares possible. Since charges reflect actual operating costs, we are doing everything possible to operate as efficiently as conditions permit. Continued modernization will bring about lower operating costs and will at the same time result in better and more convenient service. To attain that end the Board has authorized the Chairman and the General Manager to investigate every possible way or method of continuing the modernization program.

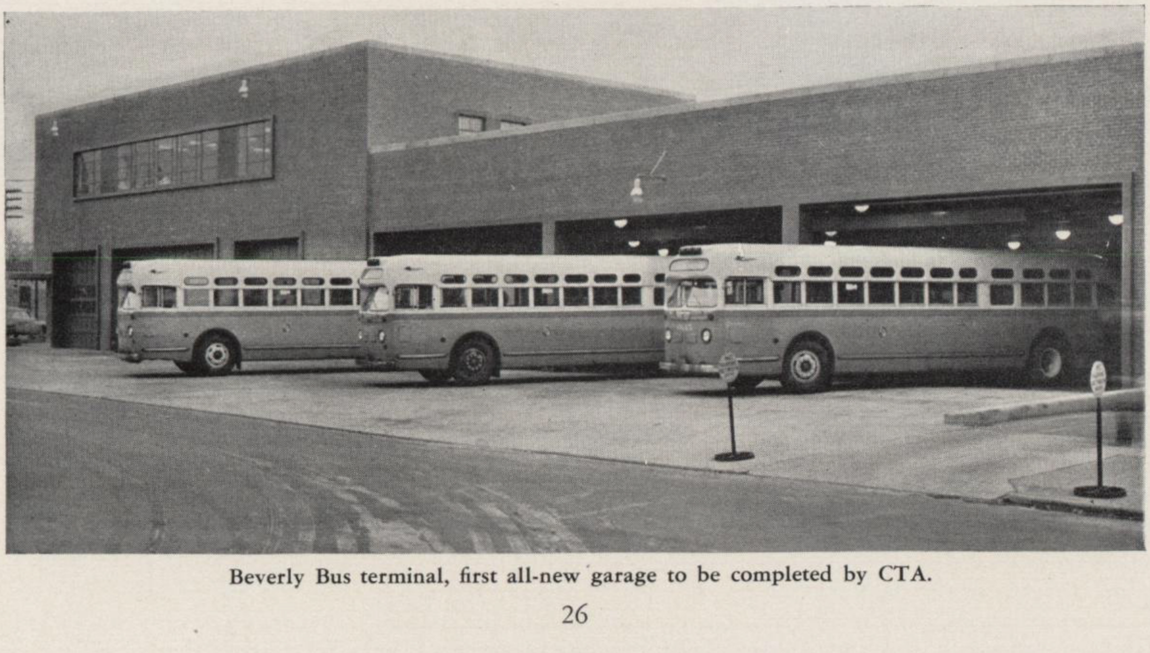
The Board acknowledges, with thanks, the continuing effort by employes to bring about improved service.

Appreciation is expressed of the helpful attitude of the public in adjusting their travel habits to the numerous changes made in the interest of improved service and efficiency.

Room A-645
175 W. Jackson Boulevard
Chicago 90, Illinois
March 28, 1950

By order of the Board

Ralph Budd
Chairman



Beverly Bus terminal, first all-new garage to be completed by CTA.

ARTHUR ANDERSEN & CO.

120 South La Salle Street
Chicago 3

To the Chicago Transit Board,
Chicago Transit Authority:

We have examined the balance sheet of CHICAGO TRANSIT AUTHORITY (an Illinois municipal corporation) as of December 31, 1949, and the related statements of funds, of income and of application of revenues for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously had made a similar examination for the year ended December 31, 1948.

In our opinion, the accompanying balance sheet and related statements of funds and of income present fairly the financial position of Chicago Transit Authority as of December 31, 1949, and the results of its operations and fund transactions for the year then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

It is our further opinion that the accompanying statement of application of revenues presents fairly the distribution made of revenues of Chicago Transit Authority for the year ended December 31, 1949, and was prepared in accordance with the provisions of the Trust Agreement securing the Series of 1947 Revenue Bonds.

Arthur Andersen & Co.

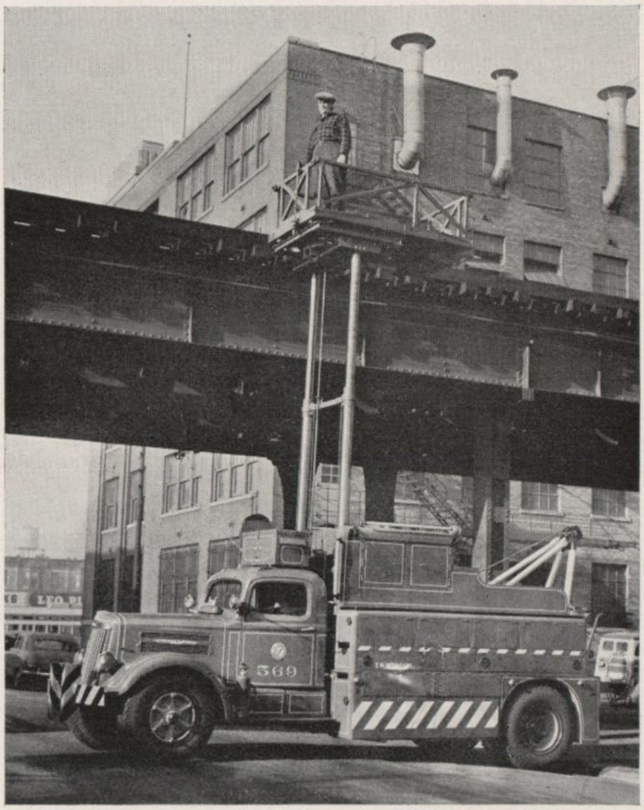
Chicago, Illinois,
March 14, 1950.

Assets

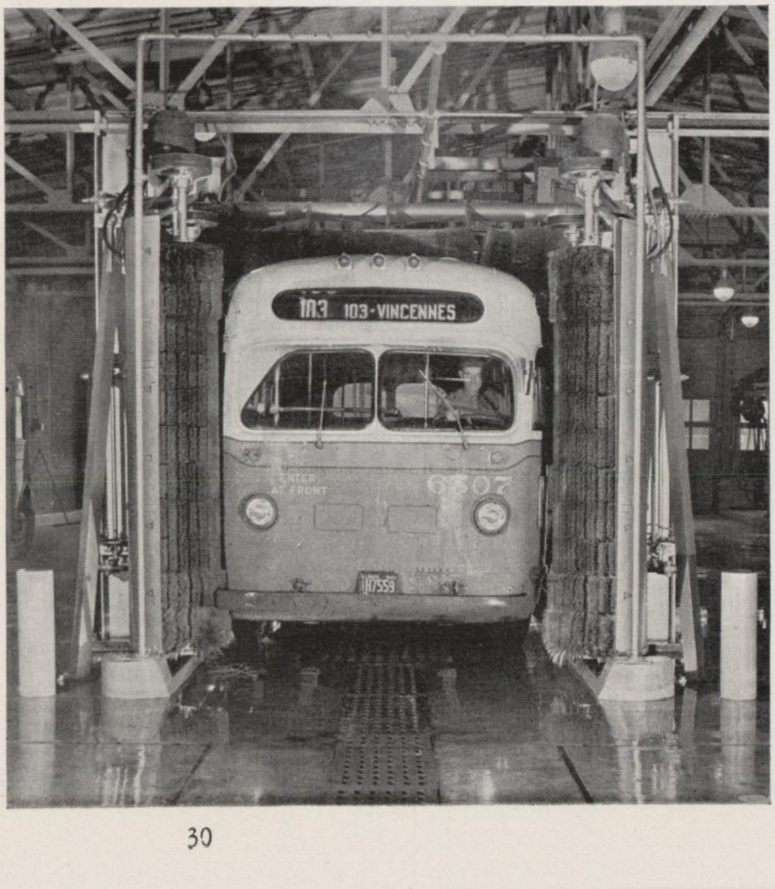
	December 31 1949	 1948
Transportation Property, at cost	$105,648,790	$100,196,681
Reserve for Depreciation	9,673,501	5,876,638
	$ 95,975,289	$ 94,320,043
Special Funds		
Cash and U. S. Government Securities		
(see accompanying statement of funds)—		
Under control of Trustee—		
Special modernization	$ 1,232,192	$ 1,252,689
Modernization	41,959	36,814
Depreciation reserve	1,666,358	2,667,521
Series of 1947 Revenue Bond reserve	2,889,000	1,605,000
Operating expense reserve	150,000	150,000
Transit revenue	——	116,320
	$ 5,979,509	$ 5,828,344
Damage reserve	2,657,033	2,515,570
Funds held for Employes' Retirement Plan (transferred to Pension Trustee in 1950)	3,785,111	1,931,241
	$ 12,421,653	$ 10,275,155
Current Assets		
Cash and U. S. Government securities		
(see accompanying statement of funds)—		
Working cash (including $5,000,000 provided from Revenue Bond proceeds)	$ 10,051,597	$ 9,854,861
Cash reserved for payment of purchase price adjustments, etc.	205,274	310,530
Deposit for payment of Revenue Bond interest due January 1	1,908,020	1,908,020
Municipal compensation fund	——	1,035,447
	$ 12,164,891	$ 13,108,858
Accounts receivable	634,635	727,237
Materials and supplies, at average cost	8,029,942	7,772,763
Prepayments and other current assets	540,141	186,739
	$ 21,369,609	$ 21,795,597
Deferred Charges	$ 187,363	$ 234,242
	$129,953,914	$126,625,037

Liabilities

	December 31	
	1949	1948
Revenue Bonds, Series of 1947		
3¼% due serially from July 1, 1953 to 1957	$ 11,000,000	$11,000,000
3⅜% due serially from July 1, 1958 to 1961	8,000,000	8,000,000
3½% due serially from July 1, 1962 to 1965	8,000,000	8,000,000
3⅝% due serially from July 1, 1966 to 1972	13,000,000	13,000,000
3¾% due July 1, 1978	65,000,000	65,000,000
	$105,000,000	$105,000,000
Accumulated Net Revenues		
Appropriated for debt service requirements	$ 2,889,000	$ 1,605,000
Appropriated for operating expense reserve	150,000	150,000
Appropriated for modernization	116,320	116,320
Deficiency in revenues (representing portion of 1949 depreciation not earned)	(856,158)	
	$ 2,299,162	$ 1,871,320
Current Liabilities		
Accounts payable	$ 4,378,969	$ 3,656,012
Accrued wages	2,727,793	2,773,605
Accrued revenue bond interest	1,908,020	1,908,020
Accrued municipal compensation	——	1,035,447
Unredeemed tickets and tokens	34,901	21,747
Estimated net payable for adjustments to purchase prices of acquired properties	154,045	153,195
	$ 9,203,728	$ 9,548,026
Deferred Liability (for repaving of abandoned right of way)	$ 1,250,000	$ ——
Reserves		
Damage	$ 8,415,913	$ 8,274,450
Employes' Retirement Plan	3,785,111	1,931,241
	$ 12,201,024	$ 10,205,691
Commitments, under modernization program, approximately $4,700,000		
	$129,953,914	$126,625,037



The new emergency trucks are equipped with a hydraulic tower working platform.


103 103-VINCENNES
ENTER AT FRONT
6807

It takes only 40 seconds to wash the exterior of a bus in automatic washer.

Statements of Income (See note)

For the Years Ended December 31, 1949 and 1948

	1949	1948
Revenues	$116,239,238	$115,645,824
Operating Expenses		
Operation and maintenance expenses—		
Way and structures	$ 8,489,381	$ 7,579,727
Equipment	12,840,405	12,801,774
Power	10,904,288	10,147,515
Conducting transportation	60,882,843	60,897,576
General (Including provisions of $5,710,031 and $5,782,291, respectively, for damage reserve)	12,378,229	11,607,201
	$105,495,146	$103,033,793
Depreciation	6,500,000	5,400,000
Municipal compensation		1,035,446
	$111,995,146	$109,469,239
Net operating income	$ 4,244,092	$ 6,176,585
Interest on Revenue Bonds	3,816,250	3,816,250
Net income (see note)	$ 427,842	$ 2,360,335

Note:

The above statements show the revenues, expenses and net income of the Authority for the years ended December 31, 1949, and 1948. These statements do not purport to show the disposition of gross revenues in the order of precedence required by the Trust Agreement securing the Revenue Bonds. Such information is presented in the accompanying statements of application of revenues.

Following is a reconciliation between the net income shown above and the final balance shown on the statements of application of revenues:

	December 31	
	1949	1948
Net income	$ 427,842	$ 2,360,335
Appropriated for—		
Debt service requirements (Series of 1947 Revenue Bond reserve)	$ 1,284,000	$ 1,284,000
Portion of 1947 depreciation requirement not earned in that year		810,015
Operating expense reserve		150,000
Modernization (included in Transit Revenue Fund at December 31, 1948)		116,320
	$ 1,284,000	$ 2,360,335
Balance (deficiency)—representing portion of 1949 depreciation requirement for which monies were not available for deposit with Trustee	($ 856,158)	$

CHICAGO TRAN

STATEMENT

For the Year Ended

		Funds Under Co		
	Total	Transit Revenue	Special Modernization	Modernization
Balance December 31, 1948				
Classified in accompanying balance sheet as:				
Special funds	$ 10,275,155	$ 116,320	$1,252,689	$ 36,814
Current assets	13,108,858			
	$ 23,384,013	$ 116,320	$1,252,689	$ 36,814
Eliminate — Fund transfers and deposits recorded at December 31, 1948, but made after that date	357,488*	2,599,046	1,581,563	26,182
Balance December 31, 1948 — after eliminating above transfers and deposits	$ 23,026,525	$ 2,715,366	$2,834,252(1)	$ 62,996
Add — Receipts				
Collection of revenues	$115,997,957	$115,955,328	$ 3,589	$
Other receipts	3,594,376	3,076,705		
Transfers from Transit Revenue Fund		116,338,562*		116,320
Insurance recoveries and net proceeds from sales of property		112,500*		465,796
Other net transfers		11,083		
	$119,592,333	$ 2,592,054	$ 3,589	$582,116
Deduct — Disbursements				
Costs and expenses of operation, purchase of materials and supplies, reimbursable expenditures, etc.	$101,930,282	$	$	$
Disbursements for purposes for which funds were created	16,713,458		1,420,733	134,916
	$118,643,740	$	$1,420,733	$134,916
Balance December 31, 1949 —before transfers described below:				
Cash	$ 15,475,774	$ 5,307,420	$1,417,108(1)	$510,196
U. S. Government securities (at cost)	8,499,344			
	$ 23,975,118	$ 5,307,420	$1,417,108	$510,196
Add or Deduct*				
December collections deposited January 3, 1950	611,426	611,426		
Fund transfers to be made after December 31, 1949—				
Transfers from Transit Revenue Fund		6,074,812*		
Reimbursement of Working Cash for disbursements payable from special funds			170,318*	641,608*
Other transfers		155,966	14,598*	173,371
Balance December 31, 1949	$ 24,586,544	$	$1,232,192	$ 41,959
Classified in accompanying balance sheet as—				
Special funds	$ 12,421,653	$	$1,232,192	$ 41,959
Current assets	12,164,891			
	$ 24,586,544	$	$1,232,192	$ 41,959

* Denotes deduction

NOTE: (1) Includes $1,220,570 at December 31, 1948, and $161,925 at Dec
drawal on the basis of expenditures made or for which liabilities were recorded

SIT AUTHORITY

OF FUNDS

December 31, 1949

ntrol of Trustee					Other Funds			
	Series of 1947 Revenue Bond							
Depreciation Reserve	Reserve	Interest	Operating Expense Reserve	Municipal Compensation	Damage Reserve	Funds Held for Employes' Retirement Plan	Working Cash	Other Cash
$2,667,521	$1,605,000	$........	$150,000	$........	$2515,570	$1,931,241	$	$ ....
....	....	1,908,020	....	1,035,447	39,791	....	9,854,861	270,739
$2,667,521	$1,605,000	$1,908,020	$150,000	$1,035,447	$2,555,361	$1,931,241	$ 9,854,861	$270,739
3,571,340	8,780	699	50,000*	366,900*	492,138*	100,042*	7,136,018*	....
$6,238,861	$1,613,780	$1,908,719	$100,000	$ 668,547	$2,063,223	$1,831,199	$ 2,718,84	$270,739
$ 25,293	$ 855	$ 10,384	$ 36	$ 2,472	$........	$........	$........	$ ....
....	....	....	....	....	12,507	9,741	495,423	....
4,002,480	1,284,000	3,816,250	50,000	366,900	....	....	106,702,612	....
....	....	....	....	....	....	....	353,296*	....
....	....	11,083*	....	....	5,593,613	3,736,501	9,330,114*	....
$4,027,773	$1,284,855	$3,815,551	$ 50,036	$ 369,372	$5,606,120	$3,746,242	$97,514,625	$ ....
$........	$........	$........	$........	$........	$........	$........	$101,930,282	$ ....
8,238,268	....	3,816,250	....	1,035,447	5,336,044	2,307,824	5,576,024*	....
$8,238,268	$........	$3,816,250	$........	$1,035,447	$5,336,044	$2,307,824	$96,354,258	$........
$ 233,238	$ 1,752	$ 1,240	$ 929	$ 2,472	$2,333,299	$1,518,171	$ 3,879,210	$270,739
1,795,128	2,896,883	1,906,780	149,107	....	....	1,751,446	....	....
$2,028,366	$2,898,635	$1,908,020	$150,036	$ 2,472	$2,333,299	$3,269,617	$ 3,879,210	$270,739
....	....	....	....	....	....	....	....	....
2,108,028	....	....	....	....	....	....	3,966,784	....
2,439,216*	....	....	....	....	....	....	3,251,142	....
30,820*	9,635*	....	36*	2,472*	373,269	515,494	1,045,539*	115,000*
$1,666,358	$2,889,000	$1,908,020	$150,000	$........	$2,706,568	$3,785,111	$10,051,597	$155,739
$1,666,358	$2,889,000	$........	$150,000	$........	$2,657,033	$3,785,111	$........	$ ....
....	....	1,908,020	....	....	49,535	....	10,051,597	155,739
$1,666,358	$2,889,000	$1,908,020	$150,000	$........	$2,706,568	$3,785,111	$10,051,597	$155,739

ember 31, 1949, held by Special Master. Such amounts were available for with-
at the respective dates.

SEE INSIDE PAGES FOR
STATEMENT OF FUNDS

Statements of Application of Revenues

(Applied in the order of precedence required by Trust Agreement securing Revenue Bonds)

For the Years Ended December 31, 1949 and 1948

	1949	1948
Revenues	$116,239,238	$115,645,824
Operation and Maintenance Expenses	105,495,146	103,033,793
	$ 10,744,092	$ 12,612,031
Debt Service Requirements		
Interest on Revenue Bonds	$ 3,816,250	$ 3,816,250
Series of 1947 Revenue Bond reserve	1,284,000	1,284,000
	$ 5,100,250	$ 5,100,250
Balance	$ 5,643,842	$ 7,511,781
Other Requirements		
Depreciation—		
Current year's requirement	$ 6,500,000	$ 5,400,000
Portion of 1947 requirement not earned in that year		810,015
Operating expense reserve		150,000
Municipal compensation		1,035,446
Modernization (included in Transit Revenue Fund at December 31, 1948)		116,320
	$ 6,500,000	$ 7,511,781
Balance (deficiency)—representing portion of 1949 depreciation requirement for which monies were not available for deposit with Trustee	($ 856,158)	$

Note:

There were not sufficient monies available in 1949 to deposit all of that year's depreciation provision with the Trustee, and, accordingly, no 1949 revenues were deposited in the Operating Expense Reserve Fund nor in the Municipal Compensation Fund. Deposits to these latter funds (the requirements for which are not cumulative) may be made only from monies remaining after the entire amount of the provision for depreciation has been deposited.

Operating Statistics

For the Year Ended December 31, 1949

	Surface System	Rapid Transit System	Combined System
Passenger and Traffic Statistics			
Revenue Passengers—			
Originating Passengers	724,851,315 (1)	122,259,827	847,111,142
Transfers from other systems . .	(2)	36,222,878	36,222,878
Transfers from Chicago Motor Coach .	(3)	3,087,565	3,087,565
Total Revenue Passengers	724,851,315	161,570,270	886,421,585
Revenue Vehicle Miles—			
Cars	79,590,670	47,571,024	127,161,694
Trolley Buses	9,983,165	------------------	9,983,165
Motor Buses	36,395,399	------------------	36,395,399
Total Revenue Vehicle Miles . . .	125,969,234	47,571,024	173,540,258
Revenue* per Vehicle Mile . . .	75.08c	41.62c	65.91c
Revenue Vehicle Hours—			
Cars	9,016,766	4,481,353	13,498,119
Trolley Buses	1,148,644	------------------	1,148,644
Motor Buses	4,019,979	------------------	4,019,979
Total Revenue Vehicle Hours . .	14,185,389	4,481,353	18,666,742
Power Statistics			
Direct Current—Kilowatt Hours . . .	478,000,045	207,537,379	685,537,424
Average Cost per Kilowatt Hour . . .	1.32c	1.31c	1.32c
Net cost of D. C. Power per Revenue Vehicle Mile	7.04c	5.72c	6.58c
Fuel Statistics			
Gasoline—			
Gallons	9,780,843	------------------	9,780,843
Average Miles per Gallon	3.00	------------------	3.00
Diesel Fuel—			
Gallons	1,553,750	------------------	1,553,750
Average Miles per Gallon	4.52	------------------	4.52

Notes:

(1) Surface System originating traffic includes mail carriers.

(2) Surface System receives no revenue on transfers from the Rapid Transit System and makes no record of passenger transfers from that System.

(3) Passengers transferring from the Chicago Motor Coach Company buses are not reported.

*Passenger and chartered vehicle revenues.

Revenue Equipment Owned

December 31, 1949

Surface System	On Hand Dec. 31, 1948	January 1, 1949 To December 31, 1949 Acquired	 Retired	On Hand Dec. 31, 1949
Streetcars—				
P. C. C. Cars	683	------	------	683
Other Closed Platform	720	------	40	680
Open Platform	1,193	------	120	1,073
Total Streetcars	2,596	------	160	2,436
Buses—				
Trolley Buses	362	------	1	361
Gas—Mechanical	442	------	------	442
Gas—Hydraulic	472	------	------	472
Diesel—Hydraulic	136	------	------	136
Total Buses	1,412	------	1	1,411
Total Surface Equipment	4,008	------	161	3,847
Rapid Transit System				
Elevated Cars—wood and steel	1,057	------	------	1,057
Elevated—Subway Cars				
Steel, Conventional type	455	------	------	455
Metal, Articulated	4	------	------	4
Total Rapid Transit Cars	1,516	------	------	1,516
Total Revenue Equipment Owned	5,524	------	161	5,363

Mileage Owned, Leased and Operated

December 31, 1949

Track Owned or Leased

	Surface System	Rapid Transit System	Combined System
Owned	988.10	170.15	1,158.25
Leased	6.62	60.46	67.08
Total Track Owned or Leased	994.72	230.61	1,225.33

Revenue and Non-Revenue Track or Route Mileage

	Surface System	Rapid Transit System	Combined System
Revenue Miles in Operation—			
Revenue Track in Operation	668.98	193.71	862.69
Trolley bus lines (Single way miles) in Operation	131.51	---------	131.51
Motor bus lines (Single way miles) in Operation	654.46	---------	654.46
Total Revenue Miles in Operation	1,454.95	193.71	1,648.66
Non-Revenue Miles—			
Unused Track	238.12(1)	---------	238.12(1)
Track in yards and car houses	87.62(2)	36.90(3)	124.52
Connecting and storage bus lines	11.46	---------	11.46
Total Non-Revenue Miles	337.20	36.90	374.10
TOTAL	1,792.15	230.61	2,022.76

Notes:

(1) Represents track sections from which power lines have been removed and tracks which are isolated (disconnected from operating lines).

(2) Includes 33.80 miles Service Tracks on streets used by Work Cars, Pull-in and Pull-out Cars, Emergencies, etc.

(3) Includes 7.64 miles Main Line Storage Track.

Statement of Transportation Property

December 31, 1949

	Balance Dec. 31, 1948	Additions	Retirements	Balance Dec. 31, 1949
Land	$ 9,122,036	$ 142,348	$	$ 9,264,384
Track	22,722,660	863,617	392,651	23,193,626
Machinery and Tools . . .	1,678,289	193,098	6,831	1,864,556
Electric Line Equipment . .	8,397,769	740,005	352,388	8,785,386
Buildings	11,198,664	2,293,547	177,742	13,314,469
Cars	19,684,579	1,097,624	84,300	20,697,903
Buses	17,823,903	540,308	71,128	18,293,083
Work Trucks, Auto and Service Equipment . . .	677,538	212,342	4,976	884,904
Furniture	392,961	55,000	1,348	446,613
Signals and Interlocking . .	305,650	60,907	7,475	359,082
Crossings, Fences and Signs .	58,371	16,377	158	74,590
Elevated Structures	5,988,371	5,849	65,845	5,928,375
Substation Equipment . . .	1,520,000	273		1,520,273
Telephone and Communication	80,000	25,636	1,322	104,314
Engineering	28,574	11,342		39,916
General and Miscellaneous .	432,000	360,000		792,000
	$100,111,365	$6,618,273	$1,166,164	$105,563,474
Organization Expense . . .	85,316			85,316
Total Transportation Property	$100,196,681	$6,618,273	$1,166,164	$105,648,790

Summary of Depreciation Reserve
Year Ending December 31, 1949

Balance, December 31, 1948 .		$5,876,638
Add-Provision for depreciation		6,500,000
		$12,376,638
Deduct—		
Gross retirements of property	$1,166,164	
Net removal cost	286,973	
Provision for paving abandoned right of way .	1,250,000	2,703,137
Balance, December 31, 1949 .		$9,673,501

Rates of Fare

Fares Applicable to:	Effective October 1, 1947	Effective May 11, 1948	Effective June 20, 1948	Effective October 15, 1949
SURFACE ROUTES				
Adult-General	10c	11c	13c	15c
Adult-Express	—	—	15c	17c
Children & School	5c	5c	6c	7c
RAPID TRANSIT				
Adult				
Middle Zone (a)	12c	13c	15c	17c
North or West Zone (b)	8c	11c	13c	15c
Two zone through	15c	20c	20c	20c
Children & School				
Middle Zone (a)	5c	5c	6c	7c
North or West Zone (b)	4c	5c	6c	7c

(a) Middle Zone includes Chicago, Oak Park, Forest Park, Cicero and Berwyn.

(b) North Zone includes Evanston, Wilmette and Skokie, including Skokie bus. West Zone includes Maywood, Bellwood and Westchester.

Transfers are made from Surface Routes to Rapid Transit on payment of a 2-cent charge for adult passengers. There is no charge for children's transfers. Transfers from Rapid Transit to Surface Routes are made without additional charge. Children's fares apply to passengers (1) under 12 years of age; (2) school children 12 years of age or over presenting proper identification card; and (3) children under 7 years of age when not accompanied by an adult fare paying passenger. Children under 7 years of age when accompanied by an adult fare paying passenger are carried free.

Transfers for adult fare paying passengers are inter-changed between the lines of Chicago Transit Authority and Chicago Motor Coach Company. The fare on the Motor Coach System is 13 cents. Four cents additional is charged at Rapid Transit stations for transfers from the Motor Coach lines, and two cents additional is charged for transfers from Motor Coach Lines to the Surface System of the Authority. There is no charge for transfers from the lines of the Authority to the Motor Coach System. There is no transfer interchange with the Motor Coach for children or school fares.

Chronology

April 12, 1945
Metropolitan Transit Authority Act enacted by the General Assembly of the State of Illinois, was approved.

June 4, 1945
Metropolitan Transit Authority Act adopted by voters of City of Chicago and Village of Elmwood Park; and the City of Chicago ordinance, dated April 23, 1945, granting a fifty year exclusive franchise to Transit Authority was approved at referendum election.

June 28, 1945
First meeting of Chicago Transit Board. The Board was organized for the transaction of business, and Mr. Philip Harrington was elected its chairman.

July 10, 1945
Chicago Transit Board officially accepted the City of Chicago franchise ordinance and the assignment of the City's Plans on file in the United States District Court for acquisition of Surface Lines and Rapid Transit System.

July 24, 1945
The Governor of the State of Illinois approved "Parks Acts" giving the Authority operating rights in Chicago Park District.

November 21, 1945
The Supreme Court of the State of Illinois in ruling on an appeal from the lower Courts by the States Attorney of Cook County, who sought to enjoin the Authority from issuing bonds and questioned its powers, upheld the legality of the Metropolitan Transit Authority Act.

February 15, 1946
Judge Igoe of the District Court filed opinions holding Chicago Transit Authority's plans for purchase of Chicago Surface Lines, and Chicago Rapid Transit Lines to be fair, equitable and feasible, warranting their submission to the security holders.

June 17, 1946
The District Court entered an order confirming the Plan for purchase of Chicago Surface Lines by Chicago Transit Authority. (Appeals taken from this order by Series "B" bondholders of Chicago Railways Company and Minority stockholders of Chicago City Railway Company were dismissed.)

February 26, 1947
United States District Court entered an order for confirmation of the Plan for purchase of Chicago Rapid Transit System by Chicago Transit Authority.

April 22, 1947
Sales to the Authority (as sole bidder) of the properties of Chicago Surface Lines and Chicago Rapid Transit Company, contingent upon the sale of bonds by the Authority, were held by Special Master Walter A. Wade at the Cook County Court House.

June 27, 1947
Mr. Walter J. McCarter appointed as General Manager of Chicago Transit Authority, effective as of the date when the Authority sells its initial issue of bonds.

July 10, 1947
Official Statement of Chicago Transit Authority offering $105,000,000 of Series 1947 revenue bonds was approved by the Board. The official statement included a draft of the Ordinance authorizing the issuance of the bonds which ordinance incorporated by reference the form of trust agreement.

August 5, 1947
No bids were received for the bonds whereupon a bond sale agreement was entered into by the Authority with Harris, Hall & Company (Incorporated), The First Boston Corporation and Blyth & Co., Inc. whereby the bonds were sold by subscriptions.

September 30, 1947
The Bonds were delivered by the Authority and payment received. The Authority then made payments of $75,000,000 for Surface Lines properties and $12,162,500 for Rapid Transit properties.

October 1, 1947
Possession was taken of the properties formerly known as Chicago Surface Lines and Chicago Rapid Transit Company and operation was begun by Chicago Transit Authority as a unified system.

January 27, 1948
Improvement program for the first quarter of 1948 approved. This program designated specific routes for improvement and equipping with new vehicles. This set the pattern for the announcement at intervals of detailed improvements to be made.

February 1, 1948
Consolidation made effective of Rapid Transit and Surface Divisions enabling personnel and activities of many departments of the two divisions to be consolidated.

April 4, 1948
All express Rapid Transit Service established on Lake St. Elevated route, discontinuing ten little used stations.

CHRONOLOGY

May 11, 1948
Adult fares on Surface routes were increased from 10 cents to 11 cents and on Rapid Transit lines from 12 cents to 13 cents, and appropriate adjustments made in other fare rates.

June 20, 1948
By reason of wage increases amounting to approximately $8,500,000 annually and because of other rising costs, new fare rates became effective. Adult Surface route fares were increased from 11 cents to 13 cents and adult fares on Rapid Transit lines were increased from 13 cents to 15 cents with appropriate changes in other fare rates.

June 24, 1948
Mr. Philip Harrington re-elected as Chairman of the Chicago Transit Board for the three year term ending June 28, 1951.

August 19, 1948
Contract approved for the purchase of 130 elevated-subway cars at a base cost of $36,328 per car.

August 19, 1948
Chicago Transit Board approved basis for settlement of claims against Chicago Transit Authority by certain bondholders groups of Chicago Surface Lines Companies, said claims amounting to nearly $16,000,000 being settled on the basis of turning over to the security holders of the Surface Lines Companies for distribution the escrowed Damage Reserve Fund of $2,450,535.30 held by the Special Master. This agreement provided for settlement in full with minor exceptions.

December 7, 1948
A plan was presented to the City Council Committee on Local Transportation by the Board for the establishment of all express transportation service on the North-South Rapid Transit routes.

January 17, 1949
The first of twelve public hearings on the proposed North-South Rapid Transit service was held.

February 11, 1949
Mr. Philip Harrington, Chairman of Chicago Transit Board died.

April 26, 1949
The Board, by resolution, adopted procedures to be followed in connection with any recommendation for changes in rates of fare.

May 11, 1949
An arbitration award was handed down in the matter of pensions for the three year period ending May 31, 1952.

May 25, 1949
The appointment of Mr. Ralph Budd, as a member of Chicago Transit Board, became effective for the term expiring September 1, 1952.

June 9, 1949
Contracts were approved with the Commonwealth Edison Company and the Public Service Company of Northern Illinois for electric service to be furnished to the Authority during the ten year period from May 1, 1949 to and including April 30, 1959, and thereafter until terminated by either party at the end of any month on not less than one year's notice.

August 1, 1949
All-express rapid transit service was placed in operation on North-South subway and elevated lines.

September 1, 1949
Mr. Ralph Budd began three-year term as Chairman of Chicago Transit Board, pursuant to election by the Board on August 4, 1949.

September 8, 1949
Contracts approved by the Board with Divisions 241 and 308 of the Amalgamated Association of Street, Electric Railway and Motor Coach Employees as to increased wages and conditions of employment for the year beginning June 1, 1949. The General Manager submitted a report to the Board recommending increases in the rates of fare.

September 22 to October 7, 1949
Public hearings were held on the proposed increases in rates of fare.

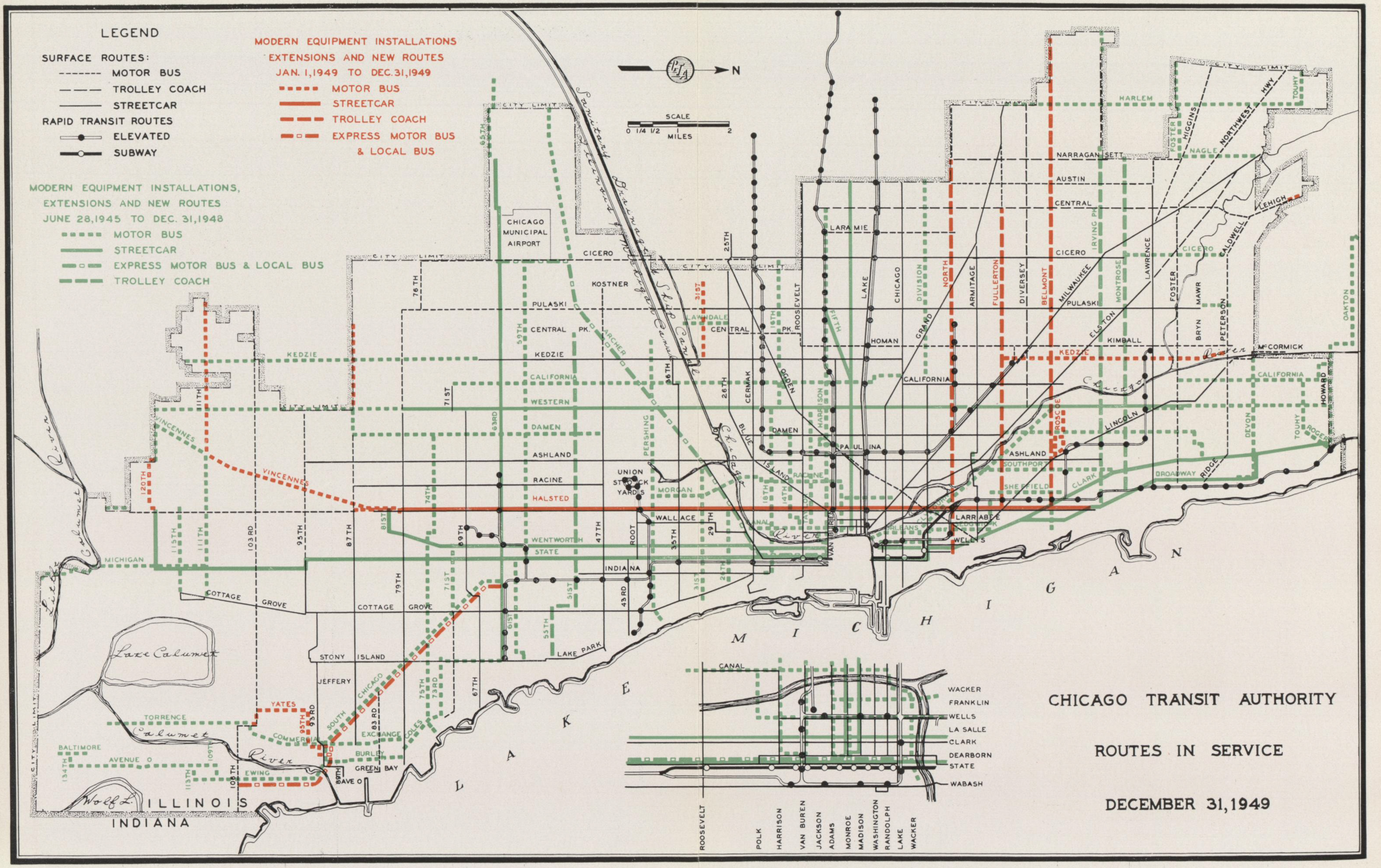
October 15, 1949
New rates of fare became effective, pursuant to an ordinance adopted by the Board on October 13, 1949. Adult surface route fares were increased from 13 cents to 15 cents and adult fares on rapid transit lines were increased from 15 cents to 17 cents with appropriate changes in other fare rates.

October 17, 1949
Shuttle streetcar and motor bus service at a 10-cent fare was established for rush hour operation between Northwestern and Union Stations and the central business district.

November 3, 1949
The Chairman and General Manager were authorized by the Board to investigate every possible way or method of continuing the Modernization Program.

December 4, 1949
The first completely new bus terminal and garage for use by Chicago Transit Authority, located at 103rd Street and Vincennes Avenue was opened for service.

December 9, 1949
Following a public hearing the budget was adopted for the year 1950 providing $114,971,500 to cover operating costs, fixed and other charges. Essential capital expenditures were budgeted at $9,103,500 and an additional $14,091,000 was budgeted for capital improvements which are dependent on finances.



LEGEND
SURFACE ROUTES:
MOTOR BUS
TROLLEY COACH
STREETCAR
RAPID TRANSIT ROUTES
ELEVATED
SUBWAY
MODERN EQUIPMENT INSTALLATIONS EXTENSIONS AND NEW ROUTES JAN. 1, 1949 TO DEC. 31, 1949
MOTOR BUS
STREETCAR
TROLLEY COACH
EXPRESS MOTOR BUS & LOCAL BUS
MODERN EQUIPMENT INSTALLATIONS, EXTENSIONS AND NEW ROUTES JUNE 28, 1945 TO DEC. 31, 1948
MOTOR BUS
STREETCAR
EXPRESS MOTOR BUS & LOCAL BUS
TROLLEY COACH
CTA
N
SCALE
0 1/4 1/2 1 2
MILES
CITY LIMIT
CHICAGO MUNICIPAL AIRPORT
Sanitary & Ship Canal
Illinois & Michigan Canal
Chicago River
Calumet River
Little Calumet River
Lake Calumet
Wolf L.
ILLINOIS
INDIANA
LAKE MICHIGAN
HARLEM
NARRAGANSETT
AUSTIN
CENTRAL
LARAMIE
CICERO
KOSTNER
PULASKI
CENTRAL PK.
KEDZIE
CALIFORNIA
WESTERN
DAMEN
ASHLAND
RACINE
HALSTED
WALLACE
WENTWORTH
STATE
MICHIGAN
INDIANA
COTTAGE GROVE
STONY ISLAND
JEFFERY
LAKE PARK
SOUTH CHICAGO
EXCHANGE
COMMERCIAL
TORRENCE
BALTIMORE
AVENUE O
EWING
BURLEY
GREEN BAY
YATES
COLES
VINCENNES
ARCHER
PERSHING
MORGAN
UNION STOCK YARDS
ROOT
BLUE ISLAND
OGDEN
CERMAK
ROOSEVELT
FIFTH
LAKE
CHICAGO
DIVISION
NORTH
ARMITAGE
FULLERTON
DIVERSEY
BELMONT
MILWAUKEE
ELSTON
IRVING PK.
MONTROSE
LAWRENCE
FOSTER
BRYN MAWR
PETERSON
CALDWELL
LEHIGH
HIGGINS
NORTHWEST HWY.
NAGLE
TOUHY
OAKTON
HOMAN
KIMBALL
GRAND
McCORMICK
HOWARD
ROGERS
DEVON
RIDGE
BROADWAY
CLARK
LINCOLN
SHEFFIELD
SOUTHPORT
ROSCOE
LARRABEE
WELLS
ORLEANS
CLYBOURN
PAULINA
HARRISON
VAN BUREN
CANAL
LAWNDALE
TAYLOR
18TH
14TH
26TH
29TH
31ST
35TH
43RD
47TH
51ST
55TH
59TH
61ST
63RD
65TH
67TH
71ST
73RD
74TH
75TH
76TH
79TH
81ST
83RD
87TH
89TH
93RD
95TH
103RD
106TH
108TH
109TH
111TH
113TH
115TH
120TH
134TH
WACKER
FRANKLIN
WELLS
LA SALLE
CLARK
DEARBORN
STATE
WABASH
ROOSEVELT
POLK
HARRISON
VAN BUREN
JACKSON
ADAMS
MONROE
MADISON
WASHINGTON
RANDOLPH
LAKE
WACKER

CHICAGO TRANSIT AUTHORITY

ROUTES IN SERVICE

DECEMBER 31, 1949